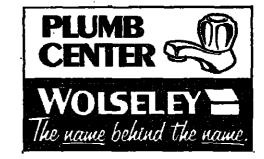
■ Obstacles to apartheid talks removed ■ Unconditional release of Mandela soon

Weekend February 3/February 4 1990



WORLD NEWS

BRUARY

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Ideen und ?

US Secretary plans historic Soviet move

US Secretary of State James Baker, who is to visit Moscow next week, will make history by appearing in front of a com-mittee of the Supreme Soviet. He will make a statement to the international affairs committee and answer members'

"This is unprecedented", said a State Department offi-cial, adding that Mr Baker would answer any questions put to him.

W German train crash At least 13 people were killed and 34 badly injured when two crowded rush-hour commuter trains collided near Frankfurt. in West Germany. One train was derailed and rescuers were not sure how many people were trapped.

Crisis team for Kosoyo Yugoslavia has set up a top-level team to handle the crisis in Kosovo, the southern province where 29 people have died in rioting. Page 3

Ceausescu aides jalled Four senior aides to Nicolae Ceanseson, Romania's executed former leader, were jailed for life by a military tri-bunal in Bucharest. The four were also stripped of their civil rights and personal wealth.

Zhivkov in hospital Todor Zhivkov, Bulgaria's deposed Communist leader, was reported to be in hospital under intensive care. He is due to stand trial for misrule and corruption. New leader faces image problem, Page 3

UK policy attacked Peugot president Jacques Calvet has attacked Britain's policy of attracting Japanese car makers to the UK. The French car company chief branded the policy an attempt to export unemployment to the rest of the European Community and said it would fail. Page 24 EC warms Tokyo on invest-

ment policy, Page 5 Kashmid violence Fighting between police and Kashmid protesters left 12 people injured after the separatist demonstrators had tried to march on the Indian consulate in Karachi. Fresh violence, Page 5

Mother freed from Iail The Appeal Court ordered the release from jail of Wendy Bull, 24, a pregnant mother of three from West Yorkshire who was jailed by Judge James Pickles for shoplifting.

20 years for IRA man Stephen Thomas Conlon, aged 21, of Co Tyrone, Northern Ireland, was sentenced to 20 years' imprisonment for killing a 67-year-old man and his granddaughter aged 13. The two died last year when their car passed an RUC station just as a bomb went off.

AIDS forecast lowered UK experts have lowered their forecasts of the numbers of people expected to contract AIDS and die of the disease in in the next few years.

Pointers to poisoning Scientists writing to The Lancet, a British medical journal, say they strongly suspect that Kurds who fled from Iraq to Turkey were deliberately poisoned in their refugee camp. Kurdish rebels blamed the poisoning on Iraqi agents, while Trickey ascribed it to a lack

of hygiene. Ballet chief quits Richard Jarman resigned as general administrator of the crisis-ridden English National Ballet. Three days before, he

sacked the company's artistic director, Peter Schaufuss. Tuppenny ha'penny The cost of making 10 and 2p coins exceeds their face value, the Royal Mint says. The Treasury is considering cheaper versions made of copper-plated

DOLLAR

FFr5.7165

8Fr1.4935 Y145.45

New York lunchtime: DM1.68265

DM1.6860 (1.6800)

FF17.7850 (5.7075)

Y145.35 (144.85)

SFr1.4960 (1.4920)

3 index 67.2 (67.9)

US LUNCKTHEE

Fed Funds 8 4 %

9611 % yield: £.457%

3-mo Treasury Bills: yield: 8.045% Long Bond:

RATES

Tokyo close: 144.95

steel instead of bronze.

Page 24

STERLING

MARKETS

\$1.6815 (1.6825)

DM2.8350 (2.8275)

FFr8.6425 (9.8025)

SFr2.5150 (2.5200)

Y244.50 (243.75) £ index 89.2 (89.1)

N SEA OIL (Argus)

Brent 15-day Mar \$20.075 (19.90)

Chief price changes yesterday: Page 24

New York: Com

\$423,4 (423.8)

acts.

London: \$417.75 (416.25)

New York kunchlime: \$1.6825

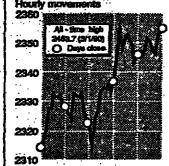
Toy shop

receivers

in administrative receivers,

about £5m and is the latest in a string of receiverships at companies exposed to the downturn in consumer spending and high interest rates on heavy debt burdens. Page 24 LONDON EQUITIES rounded

FT-SE 100 Index



GERMAN share prices reached an all-time high after frenzied foreign buying, stoked by signs that German unification is get-ting closer to reality. The DAX

powers on foreign takeovers for the first time and order a Chinese Government corporation to sell the US aircraft parts manufacturer it bought two months ago. Earlier story, Page 4

IRAQ will invite foreign oil companies to participate in financing the development of new officids. Page 24

plus fell to \$56.97bn (£35bn) from \$79.63bn in 1968, with imports rising 16.8 per cent and exports increasing by 3.8

450 jobs in Scotland as part of an £18m expansion plan.

KOOR Industries, trade unionowned Israeli group, is still waiting for a compromise between fending foreign and home creditors over write-off

(£594.7m). Page 12 MTM, UK specialist chemicals manufacturer, unveiled a hos-tile bid worth more than £12m in shares or cash for fellow

KLEEN-R-ZE HOLDINGS, UK housewares distribution and direct marketing company, announced a pre-tax loss of

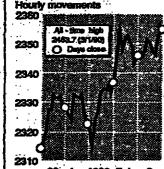
STEEL production in the industrialised world is expected to decline this year for the first time since 1986, according to the ORGD. Page 4

in 1988. Page 3

SALMON: The EC will probe Scottish and Irish complaints that Norway is selling unfairly low-priced salmon in the European market. Page 8

BUSINESS SUMMARY

who hope to sell it as a going



29 Jan 1990 Feb 2

inspired a final flurry in UK

Page 6

BANK IG of Poland is being helped towards privatisation by UK corporate financier First Europe Equity and Bond.

ALAN BOND, troubled Austra-Bell Resources filed a chutch

terms for their \$10n debts

chemicals group Chemoxy International. Page 10

£2.88m. Page 10

FRANCE'S foreign trade deficit last year totalled FFr43.7bn (\$4.58bn), a third higher than

FT-SE 100:

2,355.1 (+9.3)

FT Ordinary:

1,866.4 (+0.4)

FT-A All-Share:

1,174.99 (+0.4)

D.Lind. Av.

S&P Comp.

New York kunchil

2,615.54 (+29.28)

37,650.15 (+443.73)

LONDON MONEY

closing 15½ (15½)

Life long gill future; Mar 8733 (8731)

331.94 (+3.15)

Tokyo: Nikkei

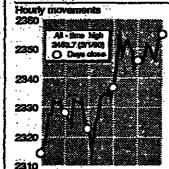
STOCK INDICES

chain calls in

Celebrity Group, owner of the Zodiac Toys chain, has called

The company, which employs 600 people and runs 95 outlets, has a debt level of

off an erratic week with another uncertain but finally successful session, as favourable trends in other markets



stocks. The final reading showed the FT-SE Index at 2.355.1. a net rise of 9.3 on the day. Page 15

index rose 52.59 to 1,910.67, a gain on the week of 6.5 per cent. Page 21

US President George Bush has decided to use his strengthened

per cent. Page 5 **BRITISH Airways** will create

lian businessman, soffered a fresh setback when subsidiary of petitions to wind up the flagof permions to what my ship, Bond Corporation, another subsidiary, Bond Media, and two private family companies. Page 12

De Klerk lifts ban on ANC

• FINANCIAL TIMES 1990

By Patti Waldmeir in Cape Town MR F. W de Klerk, the South African President, yesterday lifted a 30-year ban on the African National Congress and removed most other obstacles

to talks on a post-apartheid constitution in a historic speech which gained wide international acclaim. World leaders yesterday applanded what they called a bold and courageous speech, praise which was echoed even among the ranks of black activists in South Africa.

Mr de Klerk, speaking at the opening of the South African parliament, falled to announce a date for the release of Mr Nelson Mandela, the jailed

However, he delivered an unequivocal commitment to free Mr Mandela without sig-nificant delay, saying the Gov-ernment had "taken a firm decision to release Mr Mandela unconditionally." The ANC leader is expected to be freed within weeks.

Further measures announced by Mr de Klerk will allow fully legalised and active opposition to apartheid for the first time in 40 years of National Party rule. The measures included:

 Legalisation of the two main liberation movements -the ANC and the much smaller Pan Africanist Congress – as well as the South African Communist Party, closely allied to the ANC;

• Release of political prisoners who have not committed

violent crimes: • Removal of restrictions and bans on all political groups and

The state of the s Removing the obstacles: F. W de Klerk outlines his plans to the South African Parliament

Reform in South Africa ... Editorial De Klerk's leap into

the unknown......Page 8 The moves appear to have cleared the way for an early start to talks between Pretoria

and the ANC about a new Mr Thabo Mbeki, the shadow ANC foreign minister and one of the organisation's most influential thinkers, immediately raised the prospect of talks: "If Mr de Klerk says the

time for talking has come, we may be saying the same thing ourselves."

Ministers said yesterday that the agenda for talks was open. Asked by journalists whether there was any issue which the Government considered nonnegotiable, Mr Stoffel van der Merwe, a member of Pretoria's negotiating team, replied "democracy."

Mr de Klerk outlined the Government's aims in the talks as follows: "a new, democratic constitution; universal franchise: no domination: equality before an independent judiciary; protection of minorities as well as of individual rights; freedom of religion; a sound economy . . . based on private enterprise; better edu-

Details of the programme negotiated, ministers said.

cation, health services, housing and social conditions for all."

such as whether voters would be included on a common national roll — were to be In spite of yesterday's moves, the gap between Pre-toria and the ANC remains vast, with the ANC committed to constitutional system which would lead to black majority rule, and the Government insisting that white minority rights be protected, perhaps through a federal constitution. Mr George Bush, the US President, spoke for many Western leaders when he

sions announced yesterday, though he stressed that further action would be required from Pretoria before economic sanctions could be lifted.

Mrs Margaret Thatcher, Britain's Prime Minister, wrote to Mr de Klerk to congratulate him for his courage.
The ANC stressed its con-

cern that some political prisoners (those sentenced for mur-der, terrorism and arson) would not be freed; the three-year state of emergency had not been lifted in its entirety; and that detention without trial could continue.
The address also did nothing

to remove such remaining pil-lars of apartheid as residential and schools segregation, racial classification, and land reservation. But ministers yesterday repeated the Government's commitment to negotiating the

abolition of apartheid laws. Some of the measures announced reflect formalisation of a situation which has existed for some time. Censorship restrictions, lifted yesterday, have been

only selectively enforced and are to continue for the visual media. The ANC and restricted organisations such as the United Democratic Front, legalised yesterday in law, have been operating openly for a number of months

Mr de Klerk concluded his speech with an appeal to the international community "to re-evaluate its position and to adopt a positive attitude towards the dynamic evolution which is taking place in South Africa."

Weekend



A CLOSE

was Steven Spielberg.

Page I

Finance Sara Webb on the private detectives of the small

Travel

in colour: a two-page focus on holidays in Malaysia Plus: a guide to Hollywood Pages XII-XIV

Russian dissident Natan Sharansky Page Vill

> Books Anthony Curtis on Cleopatra Page XIX

Keith Wheatley reports from New Zealand on the financial problems behind the Commonwealth Games Plus: the Round the World

Page XXII

Thatcher and Bush lead chorus of approval

By Our Foreign Staff

THE US President and the British Prime Minister led an international chorns of approval of President F. W. de Klerk's speech yesterday, raising the prespect of a rowiew of sanctions.

President George Bush welcomed the South African Government's decision to legalise the African National to an administration effort to roll

back economic sanctions against Pre-Mr Bush cautioned, however, that any move to lift sanctions would depend on Mr de Klerk making good his promise to free Mr Nelson Mandela, the imprisoned black ANC leader. Mrs Margaret Thatcher, halling the commitment to release Mr Mandela,

invited Mr de Klerk to visit her. She said she also wanted Mr Mandela to

invitation to both men has also been extended by Mr Bush. In a statement from Downing Street, she said that Mr de Klerk's pledge to release Mr Man-dels was a "historic landmark on the

There were signs that the UR, which has held out against increased sancally both within the Commonwealth and the European Community, to

and the European Community, to review existing sanctions.

Mrs Thatcher said: "I shall be in touch with some of my fellow heads of government to see what we can do to release some of the minor sanctions."

"When people are going your way aloud a hold and correspons style we should

road to a new South Africa."

a bold and courageous style we should give encouragement to make them go further and faster," she said but added that it was "a little bit soon" to talk of

"not discourage artists, scientists and academics from going to South Africa." The possibility of lifting some sauc-tions is likely to be raised by Mr Doughas Hurd, the British Foreign Secre-tary, at forthcoming meetings of EC foreign ministers. He said he hoped to perhaps when Namibia declared its dence on March 21. Mr Gerald Kaufman, shadow Foreign

Mrs Thatcher said Britain would

Secretary, said the changes were "welsecretary, said the changes were "wer-come as far as they go" but pressure on South Africa should be maintained. Chances of rolling back US sanctions this year are slim, partly because Presi-dent Bush would risk a damaging fight with a Democratic majority in Con-

gress.
The European Commission welcomed yesterday's developments but there

were no moves to review EC sanctions against Pretoria. The measures ban new investment in South Africa and imports of iron and steel and gold cins.

The Commission called for the full

abolition of South Africa's state of emergency and said Mr Mandela should be freed without delay. South African equity and bond prices surged on the sweeping changes. The Johannesburg Stock Exchange overall share index rose to a record 3,279, from Thursday's 3,194 while the JSE all-gold

Thursday's 3,194 while the JNS all-gold index surged to a preliminary close of 2,252 from Thursday's 2,180 finish. Mr de Klerk's speech pushed up gold prices. On the London bullion market the metal rose to \$419 an ounce before falling to close at \$4173. Commodities, Page 12; Lex, Page 24;

TERRETARINE TERRETARIA DE LA CONTRACTORIO DE LA CON

World Stock Markets, Page 21



ENCOUNTER

Before Gorbachev there Nigel Andrews meets the king of the movie-brats the man who is the most successful film-maker in history

investors' underworld Page VI

Diversions Christian Tyler meets the

Sport

vacht race

the second

come as soon as he is free. A similar Hoffmann-La Roche to acquire Genentech

By Alan Friedman in New York and

Peter Marsh in London HOFFMANN-La Roche, the total of \$1.5bn or \$36 per share Swiss drugs company, is to pay — a premium of 65 per cent \$2.1bn (£1.24bn) to acquire 60 over Genentech's closing share Swiss drugs company, is to pay \$2.lbn (£1.24bn) to acquire 60 per cent of Genentech, the leading US biotechnology

group.

The move represents the most significant takeover yet of a US drugs group by a Euro-pean company. The California-based Genentech, founded in 1976, is one of the world's most nighly regarded businesses in biotechnology - a range of techniques for making new drugs and other chemicals using novel biological meth-

Roche, the world's 14th biggest pharmaceutical business, carries out extensive research in biotechnology and has wanted to build up its presence in the US for some time. In early 1988 it offered to pay. \$4.7bn for Sterling Drug, a US charmaceuticals company later bought by Eastman Kodak.

The Swiss group will be able to boost its holding in Genen-

tech to 100 per cent over the next five years. It is paying a

price on Thursday — for half of Genentech's stock.

Roche, which had 1989 sales of SFr10.5bn (£1.08bn), will inject a further \$492m of capital for an additional 10 per cent of Genentech stock, following the issue of new shares by the US company. An additional \$100m will be paid over for related stock options and warrants, bringing Roche's total investment to \$2.1bn.

One result of the deal is that Mr Robert Swanson, the 42-year-old founder of Genentech, will relinquish his duties as chief executive to become chairman. Mr Swanson, who has been criticised for an obsessive involvement in details, will be replaced by Mr G. Kirk Rabb, the chief operating officer, with whom he has had frequent conflicts.

The takeover by Roche, which already has its own sub-

Continued on Page 24

Company's 21 British plants is likely to be progressively dis-rupted next week as 1,600 electricians stage an indefinite strike over the two-year pay deal agreed upon by union leaders 10 days ago. The strike, called yesterday by leaders of the KETPU elec-

the conditions placed on craft

Continued on Page 24

1. . . 15

South Africa: De Klerk's leap into the unknown Editorial Comment: ... Momentum of reform; Sterling's show of

London Options Base Rates Commodities Prices Money Markets Overseas News mmodities Review Share information mic Diary ... London FT World Actuartes oreign Exchanges . SE Dealings Gold Markets Leader Page .

Unit Trusts ..

Electricians to strike at Ford plants

PRODUCTION at Ford Motor

from craft workers about the

tricians' union, is the most serious of a string of protests

workers gaining allowances on top of the basic pay rise.

Decision expected on BAe compensation for Rover, Page 3; Pengeot warning, Page 24

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Survey: .__

industry in the slowdown: ... Success and failure in 1990 The Chaos theory: ~ The butterfly's tip on exchange rates _Weekend section

Holidays in Malaysia For FT Chyline Directory, FT-SE 100 index and MF Access phone 0696 123456; Stock Market Report, 9598 123001; UK Company News, 0696 123002; sterling rates, 0696 123004. Calls charged at 36p per minute, peak & standard and 26p per minute, cheap rate.

Austria Sch24; Bahrain Din0,700; Bermuda \$1.50; Beigium 8Fr53; Canada C\$1.00; Cyprus C20.90; Denmark DKr12.00; Egypt E53.25; Finland Fmid5.0; Prance FFr7.50; Germany DM2,60; Greece Dr150; Hong Kong H6512; Hangary F197; leatend RR160; India Rup18; Indonesia Rp3,100; Ireland IDL80; Israel NS3.50; Israel NS3

Letters

By John Gapper, Labour Editor

two-year deal, which gives all workers a 10.2 per cent rise in the first year.

The electricians, who in a ballot last month voted by 668 to 375 to back a strike, are unhappy about the introduc-tion of new work teams and

The strike, recommended at a meeting of 50 shop stewards

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PROFILE

Mandela soon free to pursue political vision

have fought against black domination. I have cher-ished the ideal of a democratic and free society in which all persons live together in har-mony and with equal opportu-nities. It is an ideal which I hope to live for and to achieve. But if needs be it is an ideal for which I am prepared to die."

With these words, Mr Nelson Roliniahla Mandela, stately tribal prince and freedom fighter, concluded his four-hour defence before the court which jailed him for life over a quarter of a century ago. It is a vision which places Mr

Mandela in the best tradition of political liberalism. And now, as the African National Congress }leader faces immi-nent release after 27 years in prison, it is a vision which inspires unprecedented opti-mism about South Africa's

For after over a decade of dithering Pretoria has finally decided that Mr Mandela is a man with whom it can do busi - a credible leader who has preached non-racialism; and one who has frequently

Although still confined to his bungalow in Victor Verster Prison he has been playing an increasing role in determining South Africa's future, with consultations taking place daily in the run-up to yester-day's speech to parliament by President F.W. de Klerk.

The world's most famous political prisoner, Mr Mandela has become an icon to millions of black South Africans and to millions more who oppose apartheid worldwide. With every year of his imprisonment he has gained in stature. Streets and parks have been named after him in foreign capitals; rock concerts have been staged in his honour.

Yet judgments of the man must rely largely on published speeches and writings over a quarter of a century old. A much more recent document, written by Mr Mandela and

TALKS

Wide gap remains on shape of constitution

ALTHOUGH the unbanning of political organisations and the imminent release of Mr Nelson Mandela open the way to talks on a new South African constitution, there is a wide gap between the Government and

The former has made clear its determination to base a new constitution on what are called "group rights", a concept based on racial categories. The latter proposes a majority rule con-

The ruling National Party's proposals were set out in broad terms in its 1989 election mani-

It envisaged a "new South Africa", which will be a "democracy" in which "no individual or group dominates or is dominated". There would be an independent judiciary and a "free enterprise" econ-OHLY.

It promises that "within the next five years" the Govern-ment will "engage leaders of groups committed to peaceful solutions in talks and negotia-

These will lead to the creation of "institutions in which these leaders can participate in the creation of a new South Africa" and to review the role

Every South African has the right to participate in decision-making at all levels of government that affect his terests subject to the principle of non-domination," the

manifesto continues. "self-determination regarding own affairs" (i.e. the affairs of racial groups) but also seeks "a more just and meaningful basis on which groups may be

defined for political participa-

The ANC stand is set out in a document which was endorsed by the Organisation of African Unity at a meeting in Harare, Zimbabwe, last August It calls for:

• A united, democratic and non-racial state".

"Common and equal citizenship and nationality, regard-less of race, colour, sex or

 Universal suffrage, and a common voters' roll.

The right to form and join any political party "provided this is not in the furtherance of

• An entrenched Bill of Rights, equality before the law, and an independent, non-racial

 "An economic order which shall promote and advance the well-being of all South

Michael Holman

HAVE fought against submitted to the Government white domination and I in 1989, was leaked to the press earlier this month. Yet even it adds little to statements made by the ANC leader from the dock during the Rivonia trial

> "He is the born mass leader...dedicated and fearless. He cannot help magnetis-ing a crowd: he is commanding with a tall, handsome bearing; trusts and is trusted by the youth, for their impatience relects his own; appealing to

This description comes from one of Mr Mandela's closest friends and political associates, Mr Oliver Tambo, the ANC President. Mr Tambo, who was Mr Mandela's partner in the country's first African legal practice set up in 1952, has not seen his friend for 30 years. But more recent visitors have used many of the same adjectives to describe the 71year-old leader: commanding in stature, upright, fit, and impressive, both intellectually

and physically. Pretoria is clearly hoping that when Mr Mandela is released he can use this natural authority to preach moderation to his followers, many of whom grew to political maturity on the township streets of the mid-1980s, and advocate nothing short of violent revolu-

Yet to white South Africans for whom Mr Mandela is the chief demon in their universe fear, the notion that the ANC leader could be a force for peace is simply preposterous. His life conviction in 1964 followed a trial in which the Government alleged that he had plotted the violent overthrow of the South African state. The ANC has pursued that goal ever since, sometimes killing innocent civilians in the

But Mr Mandela's conversion to violence was slow and reluc-tant. Born in the Transkei on July 18, 1918 — in what is now a black homeland — he is a prince of the Thembu, which is the traditional ruling family of

Secretary-General of the South

African Communist Party, and former chief-of-staff of the

ANC's military wing, Mr Joe

Slove is not a man used to

ANC flag to fly over Pretoria

before speaking out, he told

the FT early last year in the Zambian capital of Lusaka,

headquarters of the ANC. "As

a communist I believe in the transfer of the means of pro-

duction to the people. Putting a cross on a ballot is not what

liberation is all about. Libera-

tion is breaking economic monopoly in South Africa." It is a mark of the speed with

which change has come to

South Africa that just one year

later Mr Slovo has quite a dif-ferent message: liberation, he now maintains, is indeed about

share of the responsibility for the spread of the Stalin cult

and a mechanical embrace of Soviet policies," states Mr

Slovo in a recent document

calling for a re-orientation of

Mr Slovo is not the only

ANC leader in Lusaka now

questioning long-held beliefs.

Nor is proletarian dictatorship

the only revolutionary shibbo-

leth to have been jettisoned.
As the pace of events inside

South Africa has accelerated,

so too has the fear among exiled ANC leaders in Lusaka

that they may be edged out of

PRESIDENT'S SPEECH

South African communism.

We cannot disclaim our

putting a cross on a hallot.

He could not wait for the

mincing words.

VIEW FROM LUSAKA

AS A senior leader of the the negotiation process.

African National Congress,

A stroke last year effe

the Transkei. By the time Mssrs Mandela and Tambo set up their legal practice in 1952, Mr Mandela had already become a political figure within the country. He had helped to set up the ANC youth league in 1944 – the ANC itself dates back to 1912 – and had been elected to the ANC's ruling body, the National Executive Committee,

Though still comparatively young, he played an important role in all the main events which marked the growing confrontation between South Africa's unenfranchised black majority and the National Party government formed in 1948: the 1952 deliance campaign of peaceful protest against apartheid; the adoption of the so-called Freedom Charter by a congress of the people in 1955.

The charter's central asser-tion is a belief in democracy and non-racialism which would have been remarkable nowhere except in South Africa, where it was considered revolution-

Because of his political activities, Mr Mandela faced successive banning orders and detention. In 1956, he was one of 156 people charged with high trea-son; as a trained lawyer, he helped conduct the defence and the accused were finally acquitted in 1961.

He then spent 17 months underground, during which he helped to form the ANC's armed wing, Umkhonto we Sizwe (Spear of the Nation); received guerrilla training in Algeria; and assumed various disguises for clandestine meetings with his pretty young wife, Winnie.

But on August 5, 1962, the man known as the Black Pimpernel was captured in Natal, dressed as a chauffeur and apparently betrayed by an informant. He was tried and jailed for five years for inciting African workers to strike and leaving the country illegally. He was still in jail in 1963 when several Umkhonto lead-

Militants forced to adopt

the weapons of democracy

immobilised Mr Oliver Tambo,

the 72-year-old ANC president, who was flown to Europe for

last October of seven senior AC

officials from imprisonment in

South Africa has created an

internal ANC, with the result

that the Lusaka wing has often

seemed out of touch with

Namihian settlement has been a blow. As part of the deal Angola closed guerrilla camps,

while Mr Sam Nujoma, Nami-bia's president-in-waiting, has

made clear that the organisa-

tion will be limited to a diplo-

Moreover, under President Mikail Gorbachev the Soviet

Union, the ANC's main backer,

has been pushing the organisa-tion towards negotiations, and

to adopt a pragmatic stance on

issues such as economic policy

eign Minister, paying an offi-cial visit to Hungary, once a vocal member of the UN Com-mittee on Apartheid, was a fur-

ther blow. It highlighted the

fact that the upheaval in East-

ern Europe has undermined

the ANC's relationship with a

bloc which hitherto offered

economic and military support.

on a brave face. Mr Henry Makgothi, Deputy Sec-

ANC officials in Lusaka put

and the white minority. More recently, the spectacle of Mr Pik Botha, Pretoria's For-

matic presence in an indepen-dent Namibia.

On the regional front, the

events at home.



A jubilant ANC supporter armed with wooden rifle on top of a status of ex-Prime Minister Jan Smuts in Cape Town yesterday

officials last year

The Rivonia trial ended with

life convictions for Mr Mandela and fellow defendants. Impris-

oned first at the notorious Rob-

ben Island prison off Cape Town, then at Pollsmoor on

the mainland, in the Constan-tiaberg Clinic in Cape Town, and finally in the prison ward-

er's bungalow near Paarl, Mr

Mandela was a good-humoured figure, respected by prisoners and warders alike. A boxer in

his youth, he exercised to keep fit, though he was treated for tuberculosis in 1988.

Freedom may well reduce

ers were arrested at a farm in the Johannesburg suburb of Rivonia and the celebrated Rivonia treason trial began. His speech at the trial traced his growing belief that non-vio-lence could not succeed in South Africa, and his conver-sion to the need for military action, which led to Umkhonto's founding in 1961.

On the potentially contentious issue of the role of the South African Communist Party in the ANC, Mr Mandela declared: "The ideological creed of the ANC is, and always has been, the creed of African nationalism." Co-operation with the SACP was, he said, merely proof of a common goal - the removal of white supremacy – and not evidence interests". He repeated this assertion in the document

or out of touch with events at

home. It had been able to maintain contact with impris-

oned leaders on all important

issues and co-ordinated policy

son Mandela's freedom will be

a catalyst and a spur to height-

ened activity," he said. "But we do not want the release to

dissipate into uncontrolled vio-

itself in a dilemma. In order to

remain the "vanguard" of the

anti-apartheid revolution, it

must maintain an aggressive

attitude towards the Pretoria

wishes to retain the support of the international community

and pursue a path of peaceful

negotiation with Pretoria it

must keep a firm grip on its

that both diplomatic initiative

and military activity are neces-

sary to drive Pretoria to the

variety of opinion on the pro-portion in which these two ele-

the "internal" leaders of the

ANC, such as Mr Mandela and

Mr Walter Sisulu, are seen as

having taken a moderate, pro-negotiation stance, there are

extled ANC leaders who con-

tinue to believe in the suprem-

acy of the gun. The Lusaka leadership is

But there remains a wide

nts should be mixed. While

The official ANC stand is

more radical elements.

bargaining table

If, on the other hand, it

regime at home.

Yet the ANC might find

We would like to think Nel-

with them, he stressed.

him to more human dimensions. But after a quarter of a century of martyrdom for the cause, Mr Mandela can draw on enormous support from the black community. He will need it for the task ahead.

Patti Waldmeir

ANGOLA

NAMIBIA

REACTION

Anti-apartheid groups give cautious backing to de Klerk's speech

PRESIDENT F.W. de Klerk's address was warmly welcomed yesterday by a range of antiapartheid bodies as well as it was "disappointed that Mr address was warmly welcomed yesterday by a range of anti-apartheid bodies as well as leaders of African states, but all struck a cautionary note warning that further big steps would have to be taken to end

The African National Conress welcomed the lifting of gress welcomed the mining of the bans on organisations and said Mr de Klerk's speech went a long way "towards creating a climate conducive to negotia-

Mr Oliver Tambo, ANC president, said the organisation would take "urgent measures to review the new situation, to determine the steps we have to take to move our country fur-ther forward towards finally ending the spartheld system". In a statement released in Stockholm, where Mr Tambo is undergoing medical treatment, he also struck a cautionary

He said the ANC was con-cerned that Pretoria had decided not to release all political prisoners, that the state of emergency was not to be lifted, and and that detention without trial would continue.

The ANC also called for the

continued isolation of South Normalisation of relations between South Africa and the rest of the world would con-tinue to depend on ending the

apartheid system, the organisation declared. The Anti-Apartheid Move-ment said Mr de Klerk's speech had "clearly been of great sig-nificance. The apartheid regime has half opened the door to a process of negotia-tions that could lead to the ending of apartheid."

But the movement also attacked Mrs Margaret Thatcher, the British Prime Minister, for extending an invi-tation to Mr de Klerk to visit London. This is not the time for carrots. Indeed it is vital that we maintain and intensify international pressure until apartheid is destroyed and a

Mandela remained in prison and said "no negotiations can start until he has been The South African Commu-nist Party cited the "positive

steps taken towards creating a climate for negotiations" and welcomed the pending release of Mr Mandeia and some politi-cal prisoners. But, it added, the main pillars of apartheid are still standing. The struggle is far from over".

far from over."

The only dissenting voice appeared to be the Pan Africanist Congress (PAC) which said that reforms were meaningless, and pledged to intensify its fight against apartheid.

Mr Waters Tohoti, Information Director of the Tanzanabased group, said it was impossible to speak of reforming apartheld and that Mr de Klerk as merely trying to neutralise his opponents.

The reforms announced by de Klerk today are irrelevant and meaningless because apartheid cannot be reformed. We cannot talk about ending apartheid. We can only eliminate it," he said.

We are going to intensify the armed struggle to greater levels through the training of more cadres and through confrontation with the enemy on the ground," he said. The organisation, however, has no significant military presence in or outside South Africa. Mr Toboti said the reform

were too little and too late and accused Mr de Klerk of trying Mr Rilwanu Lukman, Nigeria's External Affairs Minster said: "We are sure this signals a genuine change on the part of the South African authorities and we welcome it wholeheartedly. If this contin-

Caroline Southey

uss then I hope we will soon see black people given their full rights in South Africa." South Africa has waged a military campaign against black southern African states over the last decade, either directly or through rebel movements. It has had two main objectives: to reinforce dependence on South African trade and transport links by to the sea; and to combat the African National Congress's military campaign by forcing black governments into non-aggression pacts which have led to the expulsion of ANC guertiles and the Hundreds of thousands of southern Africans have died,

closure of their training camps. while the damage done to the economies of the region runs into billions of dollars

Zambla: ANC headquarters, but no military bases allowed Tanzanja: only country in region to allow ANC military training facilities

BUIEWWYO

Zimbebwe: 1990 - end of white rule, but new government only permits ANC civilian representatives. Botstrung: long standing ben on ANC querillas

Swaziland: 1982 - secretly signed non-aggression pact

Mozembique: 1984 - ANC quentities expelled under non-aggression pact with South Africa.

500 mB4s ·

Lesotho: 1986 - new government expelled ANC after South African economic blockade led to coup Angota: 1989 - ANC beses closed in compliance with non-aggression clause in Namibian independence

Namible: 1989 - settlement terms assume government of independent Namibla will not harbour ANC

now confronted with a large number of challenging policy decisions. In the short term it must look ahead, for example, to what organisational structures it might assume as an unbanned organisation; to a new range of political options in a post-emergency society, to the role of Nelson Mandela and those leaders who have already

in the long term, broad-based policies calculated to bring maximum support will have to be more narrowly defined. These range from the precise role of private enter-prise in the "mixed economy" now advocated by the ANC, to the nature of "socialist d racy" as seen by the ANC's

communist faction.

Mr Thabo Mbeki, ANC Director of International Affairs, claims Nelson Mandela's release will have no effect on the decision making of exiled ANC leaders. That is debatable. But certainly it will force the pace on these issues.

Nicholas Woodsworth

ZULUS

ANC leader is key to Inkatha co-operation

garia der fa

WHEN King Goodwill Zwelithini rose to address a tribal convention of the Zulu nation last November, there were probably 70,000 people present at Durban's King's Park stadium. The African National Congress had held a rally the previous month to welcome home seven ANC leaders released from prison. That rally was not much larger than King Goodwill's.

in a country where black people are not allowed to express their political preferexpress their political preferences through the ballot box, attendance at such events is one of the few ways of gauging the popularity of a political movement. According to such measures, there can be little doubt that Inkatha — the 15m-strong Zulu organisation led by Chief Mangosuthu Buth-elezi, Prime Minister of the KwaZulu homeland — has a

strong political base.

The ANC may well be right when it claims that attendance at Inkatha rallies is coerced and that Inkatha has misused its support, provoking violence in the Pietermaritzburg area which has left over 2,500 blacks dead in the past three years. But however valid complaints about Inkatha excesses, the

group remains a force which the ANC ignores at its peril. Mr Mandela has long made clear that he sees Inkatha as an essential part of South Africa's solution. He has gone out of his way to placate Chief Buthelezi. In June last year, he wrote to him to express his "fervent hope" that the good relations which existed between Inkatha and the ANC in the 1970s would be restored. Mr Mandela referred to the violence in Natal, which has pitted Inkatha members against supporters of the ANC and its allies, the United Democratic Front and the Congress of South African Trade Unions (Cosatu). But his tone was con-

Still, relations between the two groups remain severely strained. Peace talks in Natal between the table and the UDF/ Cosatu, which took place with ANC support, have been suspended for months. And Inkatha was conspicuously absent when anti-apartheid groups held an historic conference in Johannesburg last December.

The conference brought together delegates of the Mass Democratic Movement (MDM), closely allied to the ANC and the much smaller Black Consciousness Movement. But unity with Inkatha is clearly a more serious imperative: vet it seems increasingly likely that only Mr Mandela, with his strong personal links with Chief Buthelezi, can hope to achieve a reconciliation.

Yet reconciliation will not come without political cost. Chief Buthelezi has always insisted on Mr Mandela's release as a pre-condition for talks with Pretoria. But he clearly intends to take a seat at the table as well. Once there, Chief Buthelezi's political demands could well conflict with those of Mr Mandela

The former makes clear be would consider a cantonal or federal government for South Africa, while the ANC insists on a system of one-man, onevote in a unitary state. Also, Chief Buthelezi's admiration for economic systems based on free enterprise will find few supporters in the ANC, which is closely allied with the South African Communist Party.

Whatever their differences, Mr Mandela and Chief Buthelezi both know that co-operation between them is crucial, not only to end apartheid bot more crucially, to ensure that post-apartheid South Africa loes not suffer the factional or tribal violence which has destroyed so much of the rest of the continent.

Patti Waldmeir

'The time for reconstruction and reconciliation has arrived'

This an edited version of President F.W. de Klerk's speech.

'THE season of violence is over. The time for reconstruction and reconciliation has arrived. . . I paid fruitful visits to Venda,

Transkei and Ciskei and Intend visiting Bophuthatswana soon. In recent times there has been an interesting debate about the future relationship of the TBVC countries with South Africa and specifically about whether they should be re-in-corporated into our country. Without rejecting this idea out of hand, it should be borne in mind

that it is but one of many possibili-ties. These countries are constitutionally independent. Any return to South Africa will have to be dealt with, not only by means of legislation in this Parliament. Human rights: The Government accepts the

principle of recognition and protec-tion of the fundamental individual

rights which form the constitutional

basis of most Western democra-

clas. We acknowledge, too, that the

most practical way of protecting those rights is vested in a declara-tion of rights justifiable by an independent judiciary. However, it is clear that a system

for the protection of the rights of individuals, minorities and national entities has to form a well-rounded and balanced whole. South Africa has its own national composition and our constitutional dispensation has to take this into account. The formal recognition of individual rights does not mean that the problems of a heterogeneous popula-

Naturally, the protection of col-lective, minority and national rights may not bring about an imbalance respect of individual rights, it is neither the Government's policy nor its intention that any group - in whichever way it may be defined - shall be favoured.
The Government is requesting

a further task and report on it.

ing my inauguration to giving active attention to the most impor-tant obstacles in the way of negotiation. Today I am able to announce far-reaching decisions in this connection.

The steps that have been decided, are the following:

The prohibition of the African National Congress, the Pan Africanist Congress, the South African nmunist Party and a number of subsidiary organisations is being People serving prison sen-

tences merely because they were members of one of these organisa-tions... will be released.

The media emergency regula-tions as well as the education emergency regulations are being

 The security emergency regulations will be amended to still make provision for effective control over visual material pertaining to scenes of unrest. The restrictions on 33 organisa-tions are being rescinded.

The conditions imposed in terms of the security emergency regulations on 374 people on their release, are being rescinded, and the regulations. . . abolished.

The period of detention. . . will be limited henceforth to six months.

Detainees also acquire the right to legal representation and a med practitioner of their own choosing. i wish to emphasise that the eintenance of law and order dare On the state of emergency I have

been advised that an emergency situation, which justifies these spe-cial measures which have been retained, still exists. There is still conflict which is manifesting itself mainly in Natal, but as a conse quence of the countrywide political ower struggle. It is my intention to terminate the

state of emergency completely as soon as circumstances justify.

With the steps the Government has taken, it has proven its good faith and the table is laid for sensible leaders to begin talking about a

new dispensation, to reach an understanding by the way of dia-logue and discussion.

Among other things, those aims include a new, democratic constitution; universal franchise; no domination; equality before an independent judiciary; the protection of minorities as well as of individual rights; freedom of religion; a sound economy based on proven ecoprise; dynamic programmes directed at better education, health services, housing and social condi-

tions for all. in this connection Mr Nelson Mandeja could play an important part. The Government has noted that he has declared himself to be willing to make a constructive contribution to the peaceful political process in South Africa.

wish to put it plainly that the Government has taken a firm deci-sion to release Mr Mandela unconditionally. I am serious about bringing this matter to finality without delay. The Government will take a decision soon on the date of his release. Unfortunately, a further short passage of time is unavoidable. . . there are factors in the way of his immediate release, of which his personal circumstances

and safety are not the least. Without conceding that violence has ever been justified, I wish to say today to those who argued in s manner:

 The Government wishes to talk all leaders who seek peace. The unconditional lifting of the prohibition on the said organisations places everybody in a position to pursue politics freely.

The justification for violence which was always advanced, no longer exists.

Therefore, I repeat my invitation with greener conviction.

with greater conviction than ever: Walk through the open door, take your place at the negotiating table together with the Government other leaders who have important power bases inside and outside of Parliament. . . the time for negoti-

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Si - . .

BULGARIA'S ruling Com-munist Party yesterday elected a new party leader in an attempt to restore its tarnished image in time for the free elections, as well as to speed up the pace of political and social

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Patti Walde

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Mr Alexander Lillov, a 56year-old former ideology chief replaced Mr Petar Madenov as party leader following a stormy closed session of the party's extraordinary congress which ended yesterday in Sofia. Mr Madenov, in power since November 10 following the ousting of Mr Todor Zhivkov in

ousting of Mr Todor Zhivkov in a bloodless palace coup, resigned on grounds of ill health. But his critics say that he proved unable to tackle the country's growing economic and political crisis.

and political crisis.

The congress also agreed on new party statutes and a new party manifesto which retains solid Marxist principles but allows greater internal discussion within the party's ranks.

Mr Lilov, regarded as a reformer who was, however, sharply attacked during the congress for his close identification with the Zhiykov. cation with the Zhiykov regime, may be strong enough in rallying the whole party behind him as it faces the elec-

torate in May.

Earlier in the week, a group of radical Communist intellectuals in the newly-formed Association for Socialist Organisation threatened to break away from the conservative- dominated BCP alto-

But yesterday, in a move to strengthen his hand, Mr Lilov added 22 of their members to the 131-strong Supreme Coun-cil which replaces the old central committee. Mr Lilov was a close ally of Lyudmila Zhiv-kova, Mr Zhivkov's daughter, who had attempted to push through a number of liberal measures, particularly in the cultural field.

Following her untimely death in 1981, Mr Lilov was dropped from the polithuro and the central committee secretariat in 1983. Although his election is seen as a victory for the party's moderates, Mr Lilov remains unpopular among Bul-



garian nationalists for his sup-

port in restoring the ethnic and cultural rights to the coun-try's large Turkish-speaking

One of Mr Lilov's immediate tasks is to separate party and state which will mean ceding more independence in eco-nomic and social matters to the Communist-dominated gov-

But the government's ability to tackle the economic crisis will depend on who will suc-ceed Mr Georgi Atanasov, the conservative Prime Minister

who resigned on Thursday. One of the main contenders is Mr Andrey Lukanov, a technocrat and former Minister for Foreign Economic Relations. It is expected that the new Government will consist of non-Communist technocrats and

experts. So far, the Union of Democratic Forces, the umbrella for the independent opposition groups, have refused to join any coalition government ed on national consensus Depending on who will be the next Prime Minister, they could well be tempted into

sharing power. Bulgaria's deposed Communist leader Todor Zhivkov, awaiting trial for misrule after being ousted last November, was admitted to hospital yes-terday and placed under intensive care, the official BTA news agency said. Bulgarian authorities denied rumours that Mr Zhivkov, 78, was dead.

Reprimands for senior Soviets in tank scam

By Mark Nicholson

THREE Soviet cabinet ministers have been severely reprimanded and a senior general sacked and disbarred after being caught trying to export 12 modern T-72 battle tanks to the West for \$\$m (£4.8m) profit. The affair, described by Mr Nikolai Ryzkov, the Soviet Prime Minister, as "the most disgraceful page in the eco-nomic history of our country" came to light early this month when the tanks and crates of submachine guns were found by KGB agents in a freight train at the Black Sea port of

The illegal export deal was made through a state co-operative, ANT, after a series of highly unofficial deals with at least three government minis-

Several senior military officers were said to have been informed about the deal to export the T-72 tanks, however, nobody apparently moved to

stop if. Moreover the Government said that ANT, which has been closed down, also had Rou-bles558m worth of export deals in the works, including the sale of large quantities of stra-tegically important metals and sensitive aviation equipment. A government statement said that "strict punishments" will be meted out to Mr Boris Belusov, Mr A. Systsov and Mr

Vladimir Shimko, respectively the ministers of defence, avia-tion and radio industries. General V. Dogvan, a senior military-industrial administrator, has been sacked and stripped of his rank after having informally approved the sale of the tanks to ANT.

Mr Anatoly Bratukhin, the deputy aviation minister has also been fired for gross violation of arms export regula-The T-72s, the Soviet Union's

main battle tank since the 1970s, were fully equipped. However, it is not know to which Western country they were to have been sold. Former Leningrad Communist Party boss, Mr Yuri Solovyov, has been expelled from the party for buying a foreign-made car during his term, the news agency Tass reported.



An old woman knits in front of Soviet tanks deployed in the Armenian village of Tekh

Soviet PM calls for fuel price review in bid to avert strikes

By Mark Nicholson in Moscow

PRIME MINISTER Nikolai Ryzhkov yesterday asked the top Soviet planning body, Gos-plan, and the Finance Ministry to reconsider fuel and trans-port price rises which threaten to spark strikes in several key

industries. However, Moscow has still not officially responded to a union commission - representing workers in the steel, construction, energy and chemical industries - which wrote to the Government calling for the January 1 price decree to be annulled.

annuled.

An official spokesman said yesterday that while full repeal of the decree was unlikely, some "flexibility" on aid to particularly hard-hit enterprises

could not be ruled out.

A member of the Central
Committee of Trades Unions claimed that the decree has

raised the price of diesel by 110 per cent, electricity by 8 per cent and tariffs on transport by between 25 and 39 per cent.

With enterprises unable to pass on higher costs under the Soviet fixed-pricing system, workers complain that busi-nesses will be forced to cut wages and benefits in the face of losses and bankruptcy. The government spokesman also hinted at possible flexibil-

ity on this point. He said that while allowing enterprises to raise their own retail prices would defeat the object of forcing them to economise on energy, nevertheless "some effects of the rises could end up in the shops."

Pravda, the Communist

Party newspaper, yesterday reported claims that some industries were already suffering profit falls after the price rises. It said profit downturns had been calculated at Roubles 6bn (£6bn) in construction, Roubles 1.2bn in chemicals, Roubles 21m in energy, and Roubles 760m in timber.

Union leaders said yesterday that members felt strongly enough about the the issue to strike, but added that they hoped the Government would open immediate talks with a specially-formed commission of leaders from the biggest unions.

They also said that they had no intention of breaching legis-lation passed after last summer's miners' strike which banned stoppages in key sectors of the economy. • The Soviet Union could join the United Nation's Food and Agricultural Organisation by the end of this year, a Soviet envoy said yesterday.

Yugoslavia's army 'ready to use force to calm Kosovo'

By Judy Dempsey in Belgrade

THE Yugoslav army yesterday said it was ready to use force as a means of preventing civil war in the southern province of Kosovo following 10 days of unrest among the ethnic Alba-nian majority who are calling for free elections and an end to the state of emergency.

The announcement, made by General Stane Brovet, the Dep-uty Minister for Defence, coincided with a visit to the Province of Mr Janez Drnovsek, the federal state President,
"The Yugoslav People's

army is ready and capable at all times of carrying out the constitutional duty to defend the sovereignty of the country, social order, the life and prop-erty of citizens," Gen Brovet

He added that Yugoslavia will "not break up in any way... there will be no vioway. . . there will be no vio-lent takeover of power, nor will we permit a civil war in the

"The intentions of the ethnic Albanians must be prevented by all means available and

even by force."

Mr Brovet's remarks are seen as a two-pronged strategy aimed as calming emotions in Serbia and showing to the eth-nic Albanians that the army will not stand idly by if the

demonstrations and violence

Earlier in the week, thousands of nationalist Serbs took to the streets in Belgrade demanding protection for the small Serb and Montenegrin minorities in Kosovo who, because of alleged intimidation by the ethnic Albanians, are

forced to leave the province.

The Republic of Serbia, led by Mr Slobodan Milosevic, regained control over Kosovo in late 1988 following amend-ments to the Serbian constitution which gave it direct con-trol over the running of the province despite opposition by the ethnic Albanian majority. Yesterday, Mr Drnovsek met with the local party and state eaders and planned to address the students in an attempt to

restore stability to the prov-His visit is an indication that the conflict is no longer seen as a dispute between Serbia and Kosovo, between whom there is no trust or confidence but is now a problem which must be resolved on the Federal level.

Twenty-one people have died since demonstrations and clashes between the police and the ethnic Albanians started 10

Polish inflation, jobless rates hit post-war peaks

POLAND'S unemployment and inflation jumped to post-war records last month as government austerity measures began to bite, according to figures

issued yesterday, Reuter reports from Warsaw.
State TV said overall infla-tion in January was 68.2 per cent while food prices rose 75 per cent. The overall figure far exceeded December's 17.7 per cent rise. Unemployment soared to tens of thousands for the first time in post-war Poland after being officially non-existent for 45 years.

Ms Malgorzata Niezabitowska, Government spokeswoman, said 55,800 people were

seeking jobs in January, against 9,600 in December. Jobs available fell from 254,000 to 35,200. The ratio of jobs available dropped from 26 per job-seeker to less than one. In Warsaw, the rate was 5-1. Measures are ready to cope with 400,000 unemployed under the government austerity programme, but experts forecast up to 1m.

The rise in prices and unem-

ployment showed the impact of the IMF-backed corrective programme launched on January 1 to curb hyper-inflation. There were signs that the programme was on track.

Ethnic violence fuels Greek-Turkish crisis

over alleged Greek persecution of the 120,000-strong ethnic minority in Western Thrace. The crisis is the worst since the two countries were on the brink of war three years ago over mineral and territorial

rights in the Aegean, according to diplomats in Ankara. Turkish retaliation on a Greek counterpart in Istanbul was expected for a Greek demand on Thursday for the recall of Turkey's consul in Komotini, Western Thrace. Athens demanded his repa-

triation unless a sharp memorandum to Greek authorities in Komotini over the alleged attacks by Greeks on the Turk-

Oslo upset at

fish dumping

investigation

CLAIMS by Scottish and Irish salmon growers that Norway has been dumping fish on the

European Community market are to be formally investigated

by the Brussels Commission.

Yesterday's announcement - too late to save producers

already squeezed out of business by last year's falling prices — is highly embarrass-ing for the Oslo Government

inst as efforts to forge closer links between the EC and

countries of the European Free

Trade Association are being

If the complaint is upheld, Norway could face anti-dump-

stepped up.

Toursday recalled its ambassador to Athens for consulta-

Hostility between Greeks and ethnic Turks in Komotini bolled over last Sunday after a sentence of 18 months jail and three years civil rights deprivation was imposed on a former Greek parliamentary deputy, Mr Sadik Ahmet, and a Greek parliamentary candidate, Mr Ibrahim Serif, both ethnic

They were charged for campaign manifestos promoting Turkish interests in the November general elections. According Turkish accounts,

But a Greek government

spokesman has said that Mon-day's violence was started by both sides. The Greek Foreign Ministry has described as unacceptable appeals by Mr Mesut Yilmaz, the Turkish Foreign Minister, for the international community to defend human rights in Komotini and his accusation that Greece had

violated them.
Rounding the quarrel was the arrival-of Mr Rauf Denktash, the Turkish Cypriot leader, in Ankara on Thursday for two days of discussions with senior ministers and President Turgut Ozal, Mr Ozal reaffirmed that Tur-

TENSION deepened between ish minority at the weekend and harassing Turks, and ran-turkey and Greece yesterday was rescinded. Turkey on sacking mosques. key fully supported the northand would not put pressure on Mr Denktash to agree a settle-ment for the divided island. A resumption of the stalled

settlement talks between Mr Denktash and his Greek Cypriot counterpart, Mr George Vassiliou, is expected in late February. However, the Komotini crisis

could finally kill off the now debilitated reconciliation pro-cess started between President Ozal, then premier, and his Greek opposite number at the time, Mr Andreas Papandreou, at an international economic forum in Davos in early 1988, said Ankara diplomats yester-

Greeks ran amok, molesting EC decision expected soon on **BAe compensation for Rover**

By Lucy Kellaway, Alison Smith and Kevin Done

A DECISION is expected soon from the European Commis-sion on whether to make Brit-Aerospace compensate the UK Government for allegedly having paid too little for Rover, the state-owned car group which it bought in 1988, and on whether BAe should repay sweeteners granted at the time of the deal.

Competition experts in the Commission will next week submit a report to Sir Leon Brittan, EC Commissioner, who is likely to recommend repayment of sweeteners worth

ing duties, though a voluntary restraint agreement is thought It is still unclear whether he will take the more drastic step and demand that British Aeroa preferable alternative. According to evidence submitted in Brussels, imports of Norwegian salmon have leapt space makes good the under-valuation, which has been estifrom around 21,000 tonnes in mated at as much as £200-

1986 to an estimated 79,000 in 1989, including a 70 per cent jump in the last 12 months. The issue will be seen as a test of Sir Leon's impartiality. He will be under pressure from Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiofleitstrasse 54, 6000 Frankfurtam-Main 1: Telephone 069-75980; Fan con-Main 1: Telephone (69-75980; Fan could be taken badiy by E Hugo. Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurter Societaeta-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Ridge, London SEI 9HL.

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Fan (33) 9353335. FENANCIAL TIMES other commissioners to take an



rival offer placed by Ford - it decided that the higher risks taken by Fiat compensated for

the lower price paid.
The Commission inquiry follows a report from the National Audit Office last year in which £38m of sweeteners were detected. All of this money appears to fall within the Commission's definition of illegal state aid, with the exception of a £5m payment that was planned to be made to the European Columbus project, but which never material-

Lord Young, UK Secretary of State for Trade and Industry at the time of the Rover sale in 1988, last month vigorously defended the terms of the deal and insisted that the extra financial concessions granted to BAe did not constitute state

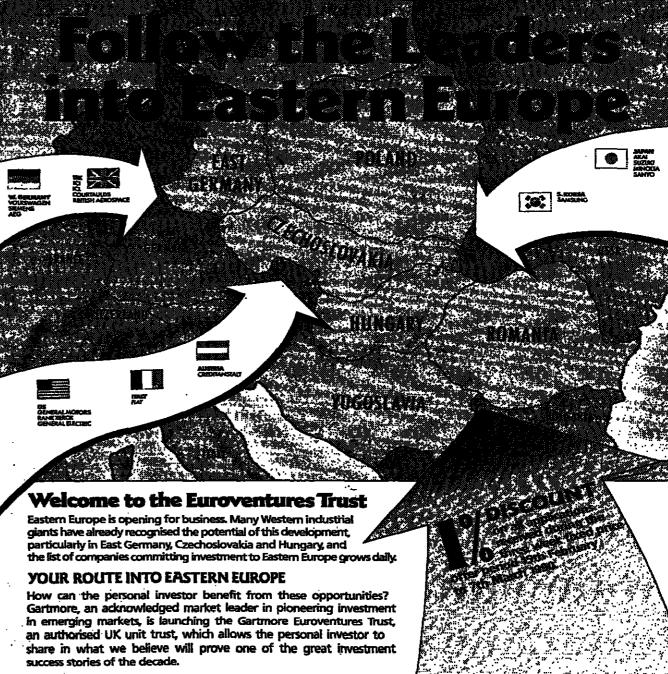


aid and therefore did not need to be disclosed to the European Commission.

Some of the financial inducements to BAe, totalling an estimated £38m, were concealed from the European Commission and were only disclosed in November in a leaked memo from the National Audit Office. Lord Young insisted that the

major concession, namely the deferment of the payment by BAe of the £150m purchase price until March 31, this year a delay estimated to be worth \$22m to BAe - did "not represent state aid under the definition of state aid in the Community."

The Government denied yesterday that the European Commission had already come to a verdict on the Rover deal.



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OVERSEAS NEWS

on Chinese-US takeover deal

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush has been advised for the first time to use his strengthened powers over foreign takeovers to order a Chinese government corpora-tion to sell a US aircraft parts manufacturer it bought two

months ago.
Mr Bush's decision, expected late last night, has important implications both for US policy towards China and for the application of the Exon-Florio provisions of the 1988 trade act which allow the President to block foreign takeovers of US companies on national security

The deal involves the acquisition by Catic, the China Aero-technology Import-Export Corporation, a government agency, of Mamco Manufacturing of Seattle. Mamco produces metal components solely for commercial aircraft, notably the Boeing group. None of the parts are exported to China, nor are they on any US list of proscribed items or technology. However, the committee on foreign investment in the US, an inter-agency group chaired by the Treasury, has investigated the deal and recom-mended that Catic should sell Mamco, even though the acqui-sition had already been completed. Under Exon-Florio, the character of the purchaser as well as the product can be examined on national security grounds. Catic handles the purchase of material and technology for military aircraft.

come within the sanctions imposed by the US on China following the Tiananmen Square massacre last June. There has been a vigorous

Some officials have apparently argued that blocking the deal would undermine the positive effect on US/Chinese relations of his successful veto last week of legislation on Chinese

However, allowing the takeover to go ahead might further arouse Congressional criticism of Mr Bush's desire not to iso-

FAA orders checks for cracks on Boeing 757s

By Roderick Oram in New York

THE Federal Aviation Administration has ordered US operators of Boeing 757 airliners powered by Rolls-Royce engines to inspect for cracks in pins holding the aircraft's two engine struts to the wings.

Failure of the two pins on each strut could cause the strut and engine to separate from the wing, the regulatory agency said. If cracks are found the pins must be replaced immediately.

While the order covers only US operators, foreign regula-tors are certain to follow suit and order British Airways and other carriers to inspect such a critical component.

The Civil Aviation Authority has already ordered British Airways and other UK carriers to make the inspection. In response to a similar check

The takeover was referred to the committee since it does not

debate among Mr Bush's advis-ers about whether to accept the committee's recommenda-

late the Peking regime.

ordered a year ago on Pratt

and Whitney powered 757s, Boeing said it was introducing

The worldwide total of such

aircraft is 134, with foreign car-riers including British Air-

Bush urged to act | Brazil's prosecutors play roles of hero and villain

John Barham reports on a group of defenders who have traced their origins to medieval Portugal

BRAZIL has a long tradi-tion of enacting and then ignoring ambitious laws, in particular those that threaten powerful vested interests. An aphorism frequently quoted by the political and business elite states: "For our friends, everything. For our enemies, the law."

When Brazil adopted its new Constitution in 1988, many observers doubted that it would ever be fully enforced. The real world, ran the argument, cannot be moulded to conform to the text of a prolix, nationalistic, and absurdly uto-plan constitution. But now, to the surprise of many, a once obscure body of constitutional watchdogs has begun to bite. They have taken on the Government, major corporations and, in the most celebrated case of all, the Amazon's law-

less gold prospectors.

The watchdogs, called prosecutors of the republic, have broad powers to enforce the Constitution and defend civil rights, the rights of Indians and protect the environment. They act not only as public prosecutors but as investiga-tors and policemen as well. In practice, the prosecutors have

become a fourth branch of gov-ernment, independent of the executive and answerable only to the courts and congress.

They trace their origins to medieval Portugal, when royal prosecutors acted for the mon-

arch. Over the years, prosecu-tors became more independent, acting for the republic, and

'Prosecutors tend to be young, idealistic and left-wing and are popular with grassroots groups'

now, under the new Constitu-tion, for society as a whole. Prosecutors still retain a residual role as the government's attorneys, however.
They tend to be young, idealistic and left-wing. "The spirit of the prosecutor is to discomfit, to challenge," says Mr Aristides Junqueira Alvarenga, the chief prosecutor. That outlook has made prosecutors popular with grassroots pressure groups and earned the fury of bureaucrats and businessmen.

to assume an important role in transforming the Constitu-tion's impressive civil rights ing the Government obey the clauses into meaningful stat-

The prosecutors are happy to accuse and the courts have shown that they have the clout to make the Government submit to their orders. For instance, after months of pro-crastination, the Government has begun to obey a court order to evict thousands of gold prospectors from the terri-tory of the Yanomami Indians. Although litigation over the Yanomami issue may rage for years, it now appears that the courts, rather than indifferent government bureaucrats, will decide the Indians' fate.

In another case, the prosecu-tors took up the cause of Ama-zonian rubber tappers trapped in debt bondage. Mr Alvarenga semt prosecutors and federal police into the jungle to free the rubber tappers and arrest their oppressors. But Mr Alvarenga says his broad aim is to use his powers to improve the quality of government, by making the executive doubly accountable. In the past, Congress has shown little interest in controlling the executive.

They are also determined to check the powers of powerful vested interests. Speaking in a quiet, measured voice, Mr Alvarenga explains: "If we punish one case of abuse, it is obvious that indirectly we are dealing with Brazil's economic problems. By jailing a cor-rupter, we are stopping corrup-

tion in the Government."

Crocked exporters, contractors, oligopolists and speculators are high on Mr Alvarenga's hit list. But, so far, the prosecutors have been more successful in defending Indians and rubber tappers than jailing unscrupulous businessmen. That surprises few Brazilians. After all, the rich and well-connected have traditionally enjoyed almost complete

immunity from punishm The prosecutors' only prominent target so far is Mr Naji Nahas, a speculator who brought the stock markets to the brink of collapse last year. He and fellow speculator, Mr Elmo de Camoes, son of a for-mer central bank president, should stand trial this year. If

Messrs Nahas and Camoes behind bars, they will undoubt-edly send alarm bells ringing throughout the business com-munity. It is a big if. It can take were for the indicator to take years for the judiciary to give its final verdict on the est controversial case. Brazil has no tradition of

'If we punish one case of abuse, we are indirectly dealing with Brazil's economic problems'

case law. Verdicts do not create precedents, so judges often make wildly different rulings on similar cases. That means relatively minor suits are often fought all the way to the

Supreme Court.
The legal system is further burdened with a mass of legislation that is rarely consoli-dated into rational codes. Delays are certain to multiply as litigation fever grips Brazil. Many think zealous prosecutors are partly to blame. Even Indian rights campaigners

have criticised gung-ho prose-cutors for being too quick to

cutors for being too quick to push weak cases.

Businessmen shrink in horror at the time, red tape and expense of dealing with yet another tier of government. The danger is that over-enthusiastic prosecutors may occasionally do as much harm as good, as in the now infamous methanol case. methanol case.

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The Government had planned to import methanol to make up for a shortage of locally-distilled alcohol, which fuels more than 25 per cent of Brazil's cars. Federal judges in Rio de Janeiro and Brasilia are hearing two pleas to ban the imports, one submitted by a prosecutor and another by an environmental group. The judge in Brasilia has allowed the imports, but the Rio judge has not. To add to the confusion, the federal prosecutor's office is simultaneously acting for the defence, on behalf of the Government, and for the prosecution, on behalf of soci-

Meanwhile, fuel supplies are running dangerously low. Nobody knows what to make of the confusion, least of all the prosecutors.

Mild weather boosts US employment

By Peter Riddell, US Editor, in Washington

THE US labour market remained firm last month as unemployment was unchanged and employment rose again.
The overall unemployment

rate stayed at 5.3 per cent, roughly where it has been since mid-1988, while non-farm employment increased by a new type of pin on its pro-duction line in May. The pins will also be fitted to 275,000, partly owing to unusual weather influences. all existing aircraft using the There has been a marked two makes of engine. Three US carriers - American, America West and Eastern - operate 43 757s powered by Rolls-Royce

slowdown in manufacturing activity in the US, especially in the car industry, during the last few months.

These figures suggest, however, that there is unlikely to be an early change in short-term interest rates

A further 113 aircraft worldbecause of next week's meeting wide have Pratt & Whitney of the policy-making Federal engines. The first cracks on Rolls-Royce powered aircraft were found by Eastern, it is believed. Boeing said one US carrier has found 12 cracked Open Market Committee. Both the Bush Administration and the Federal Reserve Board believe a recession can be avoided, although Mr Alan Greenspan, the Fed chairman, says it will not be until this pins on seven aircraft, and a second six on seven airliners.

spring that the picture Mr Nicholas Brady, the US Treasury Secretary, yesterday admitted in testimony to Congress that his weekly meetings with Mr Greenspan "very often" involve differences in

points of view.

The Administration, he noted, was biased towards economic growth which was greater than that of the Fed, adding that "differences...are

openly expressed."
Mr Brady indicated that the
Bush Administration was generally satisfied with an inflation rate of about 4 per cent as long as it does not rise from that level. Reducing the rate to less

than 4 per cent is appropriate "as a broad goal," Mr Brady said, adding that it was necessaid, adding that it was neces-sary to balance growth consid-erations against efforts to reduce the inflation rate fur-

"To drive down to zero, you'd have to put brakes on

the economy."
Mr Wayne Angell, a Fed governor, said earlier in Switzerland that exchanges of views between the executive and the Fed were part of "the American style of discussion. There is nothing unacceptable about differing views concerning the speed of reaching price level stability." He talked of a fourto five-year path to zero infla-

Commenting on the sharp rise in non-farm employment last month, Dr Janet Norwood, commissioner of the Bureau of Labour Statistics, warned that the figure may be over-stated. In particular, construction employment rose by 105,000 (seasonally adjusted figures) in January, when the weather was mild throughout most of the US, following a 50,000 drop in the previous month, when the weather was unusually harsh. There have also been sharp fluctuations in employ-

ment in the retail trade. By contrast, there was a large, 90,000 decline in motor manufacturing employment. This was due to temporary plant closings and many of the affected workers are back at work. The unemployment rate for this industry jumped to 20 per cent last month from 7 per cent in December. Employment in service

industries rose by 105,000 in January, of which nearly half came from the health sector. New factory orders in December rose 1.9 per cent, mainly as due to big increases in orders for aircraft and parts, for tanks and in the ship building industry.
This more than offset a

decline in motor vehicles and Orders for manufactured

goods increased by 6.4 per cent during 1989.

Mexico calls for heavy investment in energy

By Alan Robinson in Mexico City

THE MEXICAN government yesterday invited private, foreign and domestic capital to chemicals at international invest heavily in the energy

The Federal Electricity Commission will shortly call for hids on major thermal-electric turnkey projects at Tuxan, Lazaro Cardenas and Topolo-bampo. The Commission's director, Guillermo Guerrero Villalobos, also called on Mexican construction firms to fund the construction of electricity generating and distributing facilities.

He said the Commission

requires investments totalling \$18.5bn over the next five years. The Government will provide 10 per cent of that and the rest will be obtained from the CSE's own earnings, World Bank funding and private

Mesnwhile, sources at Petro-leos Mexicanos, the state oil

prices in the domestic and orid markets.

The new company, to be formally launched next week, will enjoy a relative autonomy, since Pemex has ceded its right to market basic and secondary petro-chemicals made by the state or the private sector.

Spokesmen said the company will charge international prices, even at home, to eliminate all subsidised production. They said founding of the affiliate is meant to encourage more private investment in the secondary petro-chemical sector. The new company will be The new company will be headed by the current Pemex assistant trade trade director, Raul Robles Segura. Pemex recently set up a similar company, Mexican Petroleum International, to sell Mexican crude oil.

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Bush to review German issue

By Peter Riddell and Lionel Barber in Washington-

disclosed yesterday that he had ordered an urgent review by his National Security Council advisers of how to handle German reunification.

He said: "Events are moving fast, and it looks more and more like the German reunification question is moving towards the very front

Senior US officials are increasingly concerned that reunification will happen with-out a proper framework to take account of wider East/West security interests.

A sign of increasing diplomatic activity is the hastily-ar-ranged visit to Washington yesterday by Mr Hans-Dietrich Genscher, the West German

ABOUT 1.6m Costa Ricans will

go to the poils tomorrow to

choose a new president, 57 dep-uties to the Legislative Assem-bly and 81 municipal councils

around the country. But there are unlikely to be any sur-

Costa Rica's political system,

one of the most stable and democratic in Latin America

(more than 40 years without a military coup), is in fact domi-nated by two centre-of-the-road parties. The contest is between the National Liberation Party

(PLN) and the Social Christian

Unity Party (PUSC) whose presidential candidates, Dr Carlos Manuel Castillo (PLN) and Mr Rafael Angel Calderon (PUSC), have little to argue

Campaign funding, largely

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ing Mr James Baker, the US Secretary of State, who is going to Moscow at the end of next week.

Mr Genscher wants to establish an agreed US/German position in the light of the propos-als by Mr Hans Modrow, the East German Prime Minister, for a neutral, unified German

Chancellor Helmut Kohl. along with other Western lead-ers, has ruled out a neutral state, but the West Germans would like to be able to offer some form of positive response to help stabilise the situation in East Germany.

The US wants to ensure that what is now seen in Washington as inevitable reunification

Costa Ricans prepare for poll

provided by the Government, is swallowed by the two main

contenders leaving very little

for the eight or so other small parties with more diverse polit-ical views. External funding is prohibited.

In effect, should the PUSC t

ake control from the PLN, as

opinion polls are suggesting, few changes are expected. The structural adjustment plans at the heart of outgoing

President Oscar Arias's eco-nomic policy over the past four years, will suffer no radical

Mr Calderon has even hinted

that should he win he is likely

to keep on Dr Eduardo Lizano as the president of the central

bank, a message to foreign creditors that there will be no

as possible. This is to reflect not only internal German discussions but also the interests of outside powers such as the Soviet Union, France and

Mr Douglas Hurd, the British Foreign Secretary, focused on this issue in his talks earlier this week in Washington with President Bush and Mr Baker. The British are worried about the danger of what they see as freefall and have been seeking to clarify the conditions under which a united Germany could

remain a member of Nato.

The British want a firm statement from the US in next week's talks between Mr Baker and Soviet leaders that a neu-tral Germany is unacceptable.

omy's rudder. Similarly on for-eign policy, both candidates are committed to the neutralist

stance of President Arias, the winner of the 1988 Nobel Peace

Prize, and to support the ongo-ing Central American peace efforts.

will come after the elections. The new President has to final-

ise negotiations on restructur-ing Costa Rica's \$4.5bn (£2.7bn)

foreign debt, and even more

importantly has to rein in a burgeoning internal debt that threatens to run amok with

The solutions to both sug-

government finances

In effect the real challenge

bank rate to stabilise C\$ By Robert Gibbens in Montreal :

Canada raises

THE Bank of Canada, partly to restore stability to the Cana-

dian dollar, moved its bank rate up by 30 basis points to 12.59 per cent late on Thurs-day, the highest level since May 1989. In mid-January, the central

bank eased short-term money rates down about half a point as inflation appeared to have peaked late last year. But the foreign exchange market took this as a clear signal and in the next two weeks the Canadian dollar dropped three US cents.

Yesterday, Mr Michael Wilson, Finance Minister, said the market had over-reacted. He unveils his budget later this month and further moves to reduce the federal deficit of more than C330bn are expec-

The Canadian prime lending rate has been 13.5 per cent since last March and the bank rate rise could increase some bank lending rates to consum-

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gest that many of the glowing promises made on the campaign trail will simply be forgotten when the time comes to take decisions. sudden heaves on the econ-Steel production set to drop for first time in four years By George Graham in Paris

STEEL production in the industrialised world is expected to decline this year for the first time since 1986, according to the Organisation for Economic Co-operation and Development (OECD).

The Paris based expenses

The Paris-based organisation, which groups 24 countries in Europe, North America and the Far East, says that steel output last year rose by around 1 per cent in its member countries from 382.4m tonnes in 1988, with a slightly larger increase in Europe and the Far East offsetting a decline in the US and Scandin-

In 1990, however, demand for steel, which had already started to weaken last year in the US and Canada, is expected to decline by around 2.5 per cent in the OECD area. The OECD said demand was forecast to drop in the motor industry in North America and the EC, but to remain at around the same level in

Demand from the construction sector is expected to weaken, This would probably also dampen demand for con-sumer appliances, it said. Japan expects demand to remain firm in shipbuilding and non-residential construc-

tion. In Europe, steel demand is expected to remain steady, but stocks have intressed and are judged to be "normal to high". HOUSE IN **FULL** COLOUR

FT.

Their advent has become a preoccupation because of the consequences it could have for the Arab-Israeli issue, Hugh Carnegy writes

Soviet Jews arriving in Israel

ICTOR Savitsky, his liberal policy towards Soviet bers going there are small, wile Kate and their emigrants. Until then, the vast though more significant than daughters Lena, eight, and Sonia, 10 months, arrived in Israel from the Soviet Union with their 12 suitcases of belongings a few hours before the end of last year.
After completing lengthy

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Case Sector

immigration procedures at Ben-Gurion sirport and armed with a government cash handout to see them through their first few days in the country, they moved on to a hotel in Jerusalem and the prospect of a new life in Israel.

They were exhausted their journey from their former home in Moscow included a 17
-hour transit wait at Budapest airport - but they were

"Not only the Jewish people; but people of all nationalities in Moscow and the other big cities want to emigrate," said Victor, a thermal engineer and technical translator, a few weeks later. "But they don't know how to do it. The Jews have their own way - a different way."

Their way is to come to Israel, where the country's Law of Return gives every Jew in the world the right to citizenship. Victor and his family are among a rapidly growing number of Soviet Jews taking advantage of this right to escape economic collapse and the fear of anti-semitism. So fast has the tide swelled that within the space of little more than two months, their advent has become a preoccupying issue, not just because of the daunting challenge it poses for Israel's brittle economy, but also because of the profound consequences it may have for the whole Arab-Is-

The Savitskys were among 3,631 Soviet Jews who arrived in December, almost twice the figure in November and more than 14 times the number last January. Last month the influx surged again, to 4,865. The flood began following a decision by the US last year to limit severely its previously

majority of Jews leaving the Soviet Union simply used their Israeli visas to get out of the country, and then head west-wards Now they turn to Israel.

Clearly, much depends on a continuation of the present combination of volatile conditions in the Soviet Union and comparatively liberal exit rules. But if this persists, the Government expects up to 100,000 Soviet arrivals this year and 250,000 over the next three years. With a total Jewish population in the Soviet Union estimated at around 2.5m, some officials talk of immigration eventually exceeding

During the past fortnight, the issue has become a domi-nant regional concern as Palestinian leaders and Arab countries have expressed anxiety, sometimes in terms of nearwas sparked by a typically triumphalist statement by Mr Yitzhak Shamir, the Israeli Prime Minister, who told supporters of his Likud Party that Soviet immigration was an additional reason not to relin-quish the occupied territories captured in the 1967 Six-Day

The implication that Soviet Jews would boost the alrea controversial Jewish settle-ments in the West Bank and Gaza Strip - in fact the num-

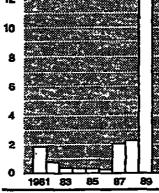
Israeli officials admit - caused a paroxysm of rage from the Palestine Liberation Organisation, local Palestinians and a number of Arab leaders. They have complained bitterly to Moscow and Washington, both of which have publicly warned Israel not to settle Soviet Jews in the occupied lands.

Arab concerns go beyond the question of Jewish settlement worry is that a sudden surge in the Israeli population will shift the demographic balance against them, further undermining the already weak Pales-tinian hand in the current hesitant efforts to reach a settlement over the occupied territories. Not without cause did Mr Shamir refer to a mood ments on immigration. However, the political storm

has tended to obscure what for Israel may be a much tougher problem. Even at the lower end of the scale of expected arrivals, the economic impact on a country small physically and with a population of only 4.5m will be enormous, despite its ideological commitment to — and its long experience of — Aliyah, the "ascension" of Jews to Israel.

The immigrants are arriving at a time of high unemploy-ment and weak output. The

Thousand 12



inevitably put on government spending come just as faltering attempts are being made to shift the emphasis away from the state sector. This year alone, absorption costs may approach Shekels 12bn, more than three times the 1989 cost. Mr Shimon Peres, the Finance Minister, has a diffi-cult balancing act to perform, given that the Government already faces a significant bud-get deficit this year. He has publicly stated his reluctance to impose, in effect, an Aliyah tax. This would cut across

recent efforts to reduce the

Jan'90 late private sector growth. But the alternative of extra borrowing is not much more attractive given the already huge

government debt.

Officials hope that the stimulus of the Olim (ascendants) will push up growth, which has been negligible for the past for extra revenue-raising. But another danger is that Aliyah will further fuel inflation, which reached 21 per cent in 1989. Immigration is certain to push up prices in the housing sector, where there will be a shortage of supply, and which is already one of the main

lines on stepping up the num-ber of flights available for carrying a growing wave of Jewish emigrants from the Soviet Union to Israel, Hugh Carnegy reports from Jerusa-

Jerusalem is anxious to speed up the flow of immigrants, currently arriving at the rate of about 5,000 a month, mostly via Budapest

But it has been frustrated by a delay in implementation of

inflationary engines. Then there is the key question of how the newcomers will be absorbed into the labour market where unemployment, at 9 per cent, is at its highest level for 20 years. A sobering fact is that until the recent turnsround, a seri-

ous concern was the continued annual population drain out of Israel of up to 20,000 yordim (descendants), mainly highly qualified professionals and youngsters emerging from military service. As recently as 1986, there was net emigration from Israel.

The long-term prognosis of Israeli officials and economists is far from gloomy, however. They point out that previous surges of Aligah — the popula-tion more than doubled between 1949 and 1953 always produced long-term

flights, possibly caused by Soviet and Arab concerns over the settlement of some immi-grants in the occupied territo-

Israeli officials say the Hungarian, Czechoslovak, Romanian and Polish airlines have expressed willingness to help carry the potentially lucrative extra passengers by increasing their Moscow flights, But com-mercial, and political, agreement with Moscow has yet to he secured.

growth. They are particularly encouraged by evidence that a large proportion of the new arrivals have top qualifications in areas such as medicine, science, technology and engineer-ing. A previous influx of more than 100,000 Soviet Jews in the 1970s was auccessfully absorbed. The test this time will be

whether the newcomers can be absorbed without expanding the public sector, as was pre-dominantly the case in the past, something that is vital if the move towards a more market-oriented and fiscally stable economy is to be sustained.

"The biggest dilemma is how to create the conditions for the private sector to absorb them," says Dr Meir Sokoller of the Bank of Israel's research department. As the economy undergoes that test, the politi-

it hard to believe, the new

freedoms inside the Soviet

Union made the position of the

Israel is negotiating with an agreement with Aeroflot to cal effects of the Soviet of will unfold

The belief on the Israeli right and the fear of the Palestinians - is that the Soviet immigrants will constitute a vital element in the demographic equation, giving a huge boost to the current Jewish population of 3.7m, at present being living in Israel and Jerusalem and the 1.7m living in the West

Bank and Gaza Strip. This, the argument goes, will erode the insistence of the Labour party and the left that Israel cannot indefinitely maintain its control over the local Arab populations and should reach a settlement quickly.

The right is also encouraged

by the tendency of previous Soviet immigrants to support the Likud and other rightist But most of the new arrivals, unlike their predecessors, are

not committed Zionists so

much as "economic migrants". to borrow a phrase, who may take a different view. This week, Mr Natan Sharansky, the former "refusenik" who normally backs Mr Shamir, said Israeli ministers should take care to keep the issues of immigration and the peace process separate. To make any connection between . . . the absorption of Soviet Jews and the problem of Judea and Samaria (the West Bank) is definitely a mistake which only complicates ... and creates problems with Washington and Moscow," he said. For the likes of Victor Savitsky, who originally wanted to go to the US and who confesses to having visited a synagogue only once in his life, the priority is to master the language

and find a job. Victor is now living in Gilo, a Jerusalem satellite built just inside the West Bank after the 1967 war. But he is not ready to commit himself politically. "I haven't decided yet about the political situation because I don't have enough information. In a few months I'll have my own opinion."

Anti-semitism is 'forcing the biggest exodus in 500 years'

500 years is being created by a resurgence of anti-semitism in the Soviet Union, according to the former leading dissident Mr Natan Sharansky, Christian Tyler writes. He said that families were applying to leave the Soviet Union at the rate of 2,000 a day and that the queue of

Flights were booked up until in London this week that the March next year. There are an estimated 2.5m Jews in the Soviet Union. Mr Sharansky, now living in

Jerusalem, conveyed his fears personally to President Bush of the US last week during a tour to raise funds for resettlement of the emigrants.

Israel's most famous dissident, who spent nine years

resurgence of anti-semitism was occurring not only at the grass roots, where it is encouraged by the Russian national-ist movement, but also in intellectual circles. Here, he said, it took the form of debate around "the question to what extent the Jews can be blamed for all the years of Bolshe-

Mr Sharansky claimed that

and disfilusioned by President Gorbachev's attempts at reform, were becoming aware of the truth about their "awful" history, and were finding in the Jews the scapegoat they needed.

The new exodus would put immense economic strain on Israel, he warned, dwarfing the problem faced by West Germany in absorbing the

East German refugees, Nearly 5,000 Soviet Jews arrived in Israel last month alone, The government is prepar-

ing for 100,000 this year and 250,000 over the next three years. Matters have been made worse by a less liberal US policy. Before last year, most Soviet Jews with exit visas for Israel used them to fly on to

Although Westerners found

Jews worse, not better, he said. The rush for the door was the predictable result of the leadership's half measures. Soviet Jews were highly assimilated. Only anti-semitism made them conscious of their Jewishness and eager to leave. Sharansky profile: Weekend

Japan's surplus on current account falls to \$56.97bn

would-be emigrants could be

By Robert Thomson in Tokyo

continued to expand their for-eign production facilities. Year-end capital flow figures indicated a surge in Japanese bond issues abroad and a sharp increase in Japanese purchases of foreign stocks, as the overall balance of payments figure last year showed a deficit of \$33,28bn, compared to the 1988 The Ministry of Finance said eign equities in December were

between the rivals are

often the highlight of a cam-paign. Viewers watch in their

millions hoping for a word, a gesture, a flash of temper which might reveal a candidate

In Japan, they might as well not bother. The leaders of the

top five political parties yester-

day singularly failed to distinguish themselves in the coun-

try's first televised multi-party

election debate in 30 years.
For four hours, they discussed the issues which will

figure in the general election to be held on February 18.

relations, tax, land policy and the collapse of communist rule

in Eastern Europe, Japan's top

politicians managed to deflect most of the questions put to

them by a panel of journalists.

Worse, they missed opportu-nities to score points off each

other, tending to repeat

agree OIL

thoughts that they could all

By William Dullforce in Davos

Ranging across international

in his true colours.

mom 511 lizon a vear earlier. Foreign net purchases of Japanese stocks in December were \$7bn, up sharply from a negative figure of \$0.4bn in November, as foreigners appeared to buy during the final surge of a long upward climb by Japanese stocks, which slumped early in January.
Japanese purchases of for-

guilty of this. "It seems like all

of your talk is just your official manner," complained one par-

ticipant from the Yomiuri

Shimbun, a Japanese daily, "Be specific. Don't talk ambig-

Among the performers, Mr Toshiki Kaifu, the prime minis-

ter, did best, perhaps because he was well briefed or perhaps

because he has had the chance

over his past six months in office to practise a calm and collected television manner.

try to embarrass him by prob-ing his biggest weakness - the

fact that he is largely con-trolled by the power-brokers of the ruling Liberal Democratic

Party.
Miss Takako Doi, head of the

Japan Socialist Party, did par-ticularly badly - much to the

chagrin of party supporters who had been hoping for a

Miss Doi managed to sound confused, unable even to

boost to their fortunes.

Not once did the opposition

N A US presidential electron, televised debates with anyone for years, was

Politicians fail TV 'true colours' test

Japanese watch in vain for a revealing shot, Stefan Wagstyl reports

JAPAN'S current account that the current account sur- \$3bn, up from \$1.9bn in Novemsurplus last year fell to plus for the month of December, while purchases of foreign increasing in 1988, with imports rising in 1988, with imports rising increasing by a modest 3.8 per cent and exports of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing by a modest 3.8 per companies of 1988, while the trade surplus increasing the purchases of foreign increasing the purchase of foreign increasing the purchases of foreign increasing the purchase of foreign incr December was \$2.7bn, up from of \$87.9bn, down from \$130.9bn M6bn in November and \$1.9 a year earlier, as the deficit incurred by Japanese travel-bing abroad continued to rise and incoming interest and dividend payments were low for

For all of last year, Japan's net purchases of foreign securities totalled \$113.2bn, compared to \$86.9bn in 1988, with purchases of stocks rising

Takako Dol: sounded confused

in the Recruit scandal. The

pered by the fact that a coali-

tion they have formed to defeat

the LDP has yet to decide what

it will do in the event of vic-

tory - except for abolishing a

controversial consumption tax

introduced last year by the

Perhaps Miss Doi simply had

an off-day. She has often been

LDP.

Even Mr Tetsuro Fuwa, launch a convincing attack praised for her ability to talk day's debate, it will from the Japan Communist about the LDP's involvement straight. However, perhaps the time before they do.

EC warns Tokyo on investment policy

\$17.88bn, and bond purchases increasing from \$85.8bn to The long-term capital

a change partly explained by a surge in Japanese foreign bond issues, which totalled \$75.7bn last year, compared to \$35.1bn in

Foreigners' net purchases of Japanese stocks last year totalled \$6.99bn, marginally up from the \$6.81bn on 1988, while net bond purchases were \$2.4bn, well above the negative sharply from \$2.99bn to figure of \$21.6bn a year earlier.

debate illustrates a deeper mal-aise in Japanese politics. The LDP has dominated the gov-

ernment for so long, that the

opposition parties have rarely

equality in the distribution of

However, these concerns have yet to be translated into

distinct and deeply-felt differ-

ences between the policies of the country's political parties.

day's debate, it will be a long

On the evidence of yester-

their policies.

country.

Battle 'rages near Angola rebel-held

By Peter Wise in Lisbon

Angolan capital, Luanda, said yesterday that government troops had captured the stratedefensive position for the Unita rebel movement's head-quarters at Jamba in southern

gal said there were clear indi-

to government soldiers on Thursday after two army columns crossed the Lomba River, 19km to the north.

only 300 remained operational.
In a radio broadcast from Jamba yesterday, Mr Jonas Savimbi, the Unita leader, warned he would intensify the war across the country and render the military situation "uncontrollable" if govern-ment forces occupied Mavinga. Mr Savimbi broke off a European tour on Wednesday to co-ordinate resistance to the

Diplomats said the battle for Mavinga, involving some of the heaviest fighting in Angola's 15-year civil war. was likely to set back the

Angolan peace process.

Efforts to mediate the conflict by President Mobuto Sese
Seko of Zaire have been at an impasse since a short-lived ceasefire collapsed last June.

bers of the Council of Europe's parliamentary assembly in Strasbourg signed a declara-

cratic and Reformers group said 90,000 had been executed in Iran since June 1981, with 150,000 jailed for political rea-

Aoun's forces fighting for last Phalange strongholds in E Beirut

By Lara Marlowe in Beirut

GENERAL Michel Acun's rebel forces were fighting last night to take the Christian Phalange militia's last two strongholds in east Beirut.

However, it appeared that Gen Aoun had underestimated the difficulty of suppressing achieve his goal, and could suf-fer a political, if not a military

Shelling resumed yesterday morning after an overnight hull which both sides used to reinforce their positions. Using heavy mortar fire for cover, Gen Aoun's men later dispatched tank columns against the militia's scafront headquar-ters at Qarantina and the hilly residential district of Ashrafleh where the Phalange have their main ammunition depot.

claims about the fighting, but Gen Aoun's troops appear to have suffered more than expected. The militia-controlled Lebanese Broadcasting Corporation TV station showed footage of captured soldiers, tanks and The fierce battles continued

Both sides issued conflicting

yesterday despite calls from both sides for a ceasefire. By late yesterday, the fighting was reported to have cost more than 100 lives with 450 people wounded. Most of the casualties were Christian Maronite civilians. The dead included Col Paul Maalouf, the younger brother of Major General Edgard Maalouf, a member of Gen Aoun's three-man military junta.

In west Beirut, President

ity of armed intervention troops under his orders. "We are ready to intervene... militarily. I am waiting for an appeal from (the Phalangist leader) Geagea or from his people. If it's not traight it will be temperated. President Hrawl was quoted as telling French radio. Gen Aoun and Mr Samir Geagea have in the past overcome their differences to fight what they consider to be their

Elias Hrawi raised the possibil-

common Syrian enemy. It would be hard for Mr Geagea to justify a request forintervention that involved Syrian troops. A Phalange-Syrian-Lebanese army initiative against Gen Aoun, although still unlikely, could mean defeat for

Australia, NZ step up driftnet war

By Chris Sherwell in Sydney

AUSTRALIA and New Zealand are to intensify their military surveillance of the Tasman Sea and South Pacific Ocean in order to monitor fishing ships which use 60km-long driftnets known as "the wall of death". The action was announced yesterday when Mr Bob Hawke, the Australian Prime Minister, signed the international Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific. Mr Hawke is on a visit to New Zealand, where a conference of South Pacific nations

last November adopted the

ABOUT 65,000 Malaysian

convention following a conference in Wellington.
The convention, which New Zealand has already signed, aims to eliminate driftnet fish-

ing.
Mr Hawke and Mr Geoffrey

You Zooland coun-Palmer, his New Zealand coun-terpart, said in a joint statement that their governments would develop a programme of air-force surveillance over the Tasman Sea, intensify surveil-lance of driftnet fishing in the high seas of the South Pacific, and target driftnet activities in their existing surveillance of South Pacific economic zones.

The biggest users of the driftnet technique in the past have been Japan, South Korea and Taiwan. Last year, South Korea announced it would withdraw from the region, and Japan said it would reduce its number of vessels. The 15-metre-wide nylon nets

are suspended vertically from floats on the ocean surface and are designed to snare fish by their gills.

But they trap almost all sea life in their path, endangering marine mammals, sea birds and fish not directly sought.

Malaysia plantation workers agree to end national strike

plantation workers agreed vesterday to end a national strike after Acting Labour Minister Lee Kim Sai referred the dispute to the Industrial Court and ordered them to return to work, Reuter reports from Knala Lumpur.
"We will comply with the law and stop the strike," said

Mr A. Navamukundan, executive secretary of the National Union of Plantation Workers (NUPW). "This is a stab in the back." Under Malaysian law, union

leaders can be arrested if they continue with a strike after the dispute has been referred to the Industrial Court. "NUPW should ensure that all workers return to work tomorrow," Mr Lee said.

He added that he had brought the dispute to the court in the interest of the national economy and workers' welfare. He said the three-day strike

by the workers, who were pressing for a monthly wage scheme, had burt the economy because work had stopped on many rubber and oil-palm estates. Malaysia is the world's top producer of these commodi-NUPW members represent about a third of Malaysia's

palm, cocoa and coconut plan-Production of the four commodities accounts for 16 per cent of the country's gross

200,000 workers on rubber, oil-

domestic product. Analysts said it was too early to estimate damage caused by the strike, but sub-

stantial stocks of rubber and palm oil were likely to have prevented any interruption in The dispute centres on the

workers' 10-year-old demand for a monthly wage scale. Workers are now paid a daily wage averaging \$4.40,

which union leaders say makes their incomes vulnerable to weather and fluctuating prices. Mr Navamukundan declared that union leaders, who had hoped to negotiate a settlement, were shocked by Mr

Lee's action.

Kashmir hit by new outbreaks of violence By Our Srinagar

Correspondent

AT LEAST three people were killed and nine injured in renewed violence in India's north-west state of Kashmir

Security forces opened fire in the town of Sopore to quell crowds chanting anti-Indian logans. The crowds had taken to the streets to protest at reimposition of a curlew.

In Srinagar, the curfew, which had been temporarily lifted, was reimposed yesterday to prevent crowds gather-ing after mid-day prayer at the mosques. There were demonstrations in several parts of the old city.

In Srinagar, three gunmen raided the house of a Hindu suspected of being a police informer, and killed him.

Over the past 10 days, no papers have appeared in Srinagar because of restrictions on the local press and because of the continuing curfew. Normally, 32 publications appear daily in the city.

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JAPAN cannot continue with an investment policy, under which Japanese companies eagerly take over or merge with foreign enterprises, while European and US concerns have enormous difficulties even in establishing joint ventures in Japan, Mr Frans Andriessen, the European Community's External Affairs Commissioner, said yesterday. In the longer term, the uni-lateral investment flow from Japanese companies could be

more dangerous than the cur-

rent trade imbalances resulting

from their exporting successes.

The situation had to be "clari-

fied", Mr Andriessen said.

speaking during a debate at the World Economic Forum, the annual businessmen's summit, on the idea that the 1990s would be characterised by

investment wars. His criticism was echoed by Mr Michael Farren, US Under-Secretary of Commerce, who said the stock of foreign investment in Japan had moved from 0.3 per cent of gross national product in 1980 to only 0.4 per cent in 1987; while investments in the US had advanced from 3 to 6 per cent of GNP over the. same period. in its trade and investment

The Commissioner was ing like a developing country, allowing protected domestic industries to develop quality goods for export. The world trading system would be threatened, if the Japanese did not change their approach, Mr Farren said.

Mr. Koji Watanabe, Deputy Foreign Minister, said foreign investors' difficulties stemmed not from official policy or administrative hindrances but from high real estate and stock market prices and the absence of a merger and acquisition tradition in Japanese business. For a Japanese entrepreneur the sale of his business meant policies, Japan was still behav- failure. The entry cost was

high but West German car exporters had demonstrated that the yield on the invest-ment could be big. The Japanese savings ratio was falling fast, Japanese companies were becoming more American and European in outlook and foreign investment in Japan would multiply.

Asked how the EC could reconcile French and Italian restrictions on car imports with its coming single market. Mr Andriessen said that within weeks the EC Commission would produce a plan for liberalising the car market. But it would allow time for completing the adjustment process.

town'

MILITARY sources in the

But a Unita spokesman in Lisbon said guerrillas were holding off the government advance in heavy fighting 15km outside the town. Both sides acknowledged heavy casualties in 10 days of intense combat. Western dinlomats in Portu-

cations a major battle was being fought close to Mavinga. But they said there was no confirmation the rebel-held town had been captured. The Angolan military sources, contacted from Lis-bon, said Mavinga had fallen

had much reason to define A Unita officer said 600 government soldiers, from a force of 9,000, had crossed the river on Wednesday. But he claimed The socialist and communist parties spent their energies on internal ideological arguments which were scarcely relevant to the reality of Japanese life. The LDP successfully built a consensus about a national commitment to economic advance. In this past two years, this consensus has been questioned as never before. Having matched the US in income per head, Japanese have realised that they need new goals - including greater

the benefits of being a rich

Call to expel Iran from UN

WESTERN parliamentarians called yesterday for Iran to be expelled from the UN, saying a government that had executed 90,000 people was not worthy to hold a seat, Reuter reports from Strasbourg. Some 114 of the 177 mem-

tion claiming thousands of Iranians faced execution. An accompanying statement issued by the Liberal, Demo-

PROSPECTS FOR both the main projects at Westland, the Yeovil-based helicopter builder, were called into question yesterday by the cross-party Commons Defence Committee.

The committee's report is the first dedicated to helicop-ters since the 1986 political cri-sis over the future of Westland, the UK's only manufacturer.
The committee, chaired by
Mr Michael Mates, Conservative MP for Hampshire East, expressed concern about devel-opments on the EH101, the naval and multi-use helicopter on which Westland is pinning on which westant is mining most of its hopes, and the proposed four-nation Light Attack Helicopter programme. Both involve collaboration with Agusta of Italy, with CASA of Spain and Fokker of the Netherlands.

Netherlands.
The committee warned that if costs for the EH101 looked like rising much further "it could prompt the Government to question the viability of the

It described as disturbing a one-third increase to £2bn in the estimated initial pro-gramme cost since 1986. This covers development and pro-duction of the first 50 of the Royal Navy's anti-submarine version of the EH101, known as the Merlin. No firm production orders have been placed.

The increase was largely due to changed specifications by the Ministry of Defence. The report found that the extra cost, expected to be well over £100m, seemed "excessive as well as disproportionate to the rest of the development cost." It said the Merlin was more than a year behind schedule, conflicting with Westland's claims that the slippage has

BRITISH AIRWAYS is to

create 450 jobs in Glasgow over

the next few years by expand-

ing its telephone sales centre

and building a regional head-

The airline will close its

present Glasgow offices and spend £18m on leasing and

equipping 50,000 sq ft of space

in a new block in the city cen-

quarters.

By James Buxton, Scottish Correspondent



Michael Mates: questions about viability of programme

nine months. The committee said it was "not hopeful" about improve-ments in the management efficiency of EH Industries, the Westland-Agusta joint venture developing the helicopter. Although progress had been made in resolving technical problems, it warned that the programme's success was "far from assured."

The committee also raised

doubts about the need for a new helicopter to meet the Army's anti-tank requirement. Prospects did "not look good" for the Light Attack Helicopter project being completed with-out further difficulties and delay. The programme, based

BA will create 450 jobs in Glasgow

550 by 1992

tre. The number of telephone sales staff will increase from

100 to 300 by spring 1991 and to

BA says the expansion in

Glasgow is to meet rising busi-

ness rather than a matter of

moving jobs from London.

When complete, the Glasgow sales centre, together with oth-

ers in Manchester and Belfast,

on Agusta's A-125, is now in a cost-definition phase.
Britain should reconsider its participation if there were doubts about it meeting the Army's requirements cost-effectively or if differences resurfaced between the four partner countries, it said.
"It would be wrong for the
Government to seek to sustain

collaboration." An "obvious option," the committee said, was the heav-

been kept to between six and on Agusta's A-129, is now in a

the A-129 LAH programme solely to protect the principle of international procurement

ier McDonnell-Douglas AH64 Apache, favoured by senior Army officers. The US manu-

the ready availability of skilled or easily trainable staff in the

in Panama. Britain still has no laws will handle half BA's reserva tions traffic in the UK, with the rest dealt with in Lon-The move by BA is a success for Glasgow in attracting business from south-east England. The airline was attracted by

It is to have its second reading in the House of Commons next Friday.

Man is held in probe on computer blackmail

was a facility of the control of the

By Alan Cane

FEDERAL Bureau of Investigation agents have arrested a 39-year-old man in the US in connection with his alleged involvement in an ambitious attempt to black-mail thousands of personal computer users throughout the world.

Dr Joseph Popp of Willowick, Ohio, was described as a medical computer consultant. He was arrested in Cleveland, Ohio, on warrants granted by Bow Street magistrates and a local court.

The FBI had been working closely with New Scotland Yard's Computer Crime Unit which has been investigating an attempt to blackmall up to 26,000 personal computer users through bogus computer diskettes posted in London. Dr Popp is being held pending an extradition application by the UK. He is likely to be charged with demanding money with

The December blackmall attempt is thought to be the most ambitions computer crime so far. City companies, businesses and universities in the UK and abroad received a computer diskette through the post from a company called PC Cyborg Corporation containing a program to assess the user's risk of contracting the AIDS virus. AIDS virus.

However, PC Cyborg Corporation did not exist. The dis-kette contained information about Aids and a program known as a "Trojan Horse" designed to go into action after the computer had been used about 100 times. Recipi-ents of the diskette were warned their computers would stop functioning unless they paid licence fees of \$189-\$378 (£112-£225) to PC Cyborg Cor-poration care of a box number

designed to deal with interference to computer systems. Mr Michael Colvin, Conservative MP for Romsey and Waterside, has introduced a private member's bill prescribing heavy fines and jail sentences for "computer hacking."

British Island Airways debts top £10m

By David Churchill, Leisure Industries Correspondent

BRITISH ISLAND AIRWAYS. the charter holiday airline the charter holiday airline which went into receivership on Thursday, had debts of more than £10m, the joint receivers revealed yesterday.

Mr Christopher Morris and Mr Nigel Alkinson, partners in the Touche Ross accountancy firm and appointed as receivers, were yesterday trying to ensure that holidaymakers booked with BIA were not left stranded by the airline's col-

Confusion about the airline's liabilities to passengers led to angry scenes at Gatwick air-port yesterday, when BIA tickets were not honoured by other sirlines and a small number of

By Richard Evans

businesses ends.

passengers were unable to fly

MANY COMPANIES based in

enterprise zones like London's docklands will face big rate demands when the 10-year

incentive period to attract

pay the full amount of the uniform business rate as soon as the enterprise zone designation expires, and will not benefit from the Government's five-

year transition period which

will dilute the impact of the biggest increases elsewhere. The disclosure is another

illustration that the full impli-cations of the uniform business

rate, which succeeds non-

rate, which succeeds nondomestic rates on April 1, are
not widely appreciated because
of a lack of publicity.

The issue was highlighted
yesterday at a conference on
the rating system by Mr Martin Edwards, a partner of Rowe
& Maw, the City solicitors.
Mr Edwards said enterprise

THE LABOUR Party will seek

to reinforce the impression that last year's policy review marked a sharp radical shift in

its economic strategy next week with the launch of a pro-

gramme to strengthen its links

with industry.

The programme, called Industry 2000, will be designed to emphasise that a future

Labour government would

seek a constructive partner-

ship with industry rather than

adopt a needlessly interventionist approach.

A TORY backbencher yes-

terday called for an investiga-tion into whether files relating

to the Colin Wallace affair

were systematically removed by the security forces.

The call came against the background of demands, mainly from Labour and

Unionist politicians, for a

wide-ranging inquiry into Mr Wallace's allegations that the security services were involved

security services were involved in attempts to smear leading politicians of all parties in the 1970s. The demands have been rejected by the Government.

Speaking on the BBC Today programme, Mr Michael Marshall, MP for the Arundel constituency where Mr Wallace, the former Army press officer, lives, said seven files had disametered over six years.

appeared over six years.

Mr Marshall, a former
Under-Secretary of State for
Industry and member of the

Commons defence committee, claimed that disappearing files, including one removed from

Parliament, seemed to have

parliament, seemed to have been a "pretty regular occurrence" up to 1986.

Mr Marshall said: "When documents I know, because they have been passed through me from Colin Wallace, have gone missing and there are other documents internally which seem to have gone miss-

which seem to have gone miss-ing, one does begin to wonder whether there is a systematic

problem here rather than series of isolated incidents."

In a separate development, it has emerged this week that a

By Jimmy Burns

By Philip Stephens, Political Editor

The companies will have to

Those passengers held sched-uled tickets with BIA which were not covered by any bonding arrangements became creditors of the airline. However, other passengers booked with Island Sun, BIA's tour operating subsidiary, will be liable to full refunds under the bonding scheme arranged by the Association of British Travel Agents. It is understood relatively few holidaymakers

were booked with Island Sun.
The holidaymakers most affected by BIA's collapse will be those who had booked through other tour operators, which will now have to find alternative charter flights. About 3,000 holidaymakers due to fly with BIA over the next few months come into this cat-

zone properties could not sat-isfy both the conditions required to benefit from phas-

ing. The first was that the

property must have been shown in the valuation list based on the 1967 Local Gov-

ernment Act. The second was

that the property must be shown in the local non-domes-

tic rating list compiled under the 1988 Act. But as enterprise

zone properties were exempt from non-domestic rates, they would not be on the list.

"Existing occupiers of properties in the Isle of Dogs [in London's Docklands], for exam-

ple, will continue to benefit

from rates exemption until

that enterprise zone expires in April 1992 but will then lose out on all three years of phas-

ing," said Mr Edwards. He added that another aspect

of the legislation with poten-

tially serious implications was the absence of regulations gov-

Labour seeks to stress links with industry

The programme will also seek to capitalise on what the Labour leadership sees as

growing disearchantment with the Government's policy of high interest rates and its refusal to set a firm date for

full British membership of the European Monetary System. Labour will focus initially on

its plans for promoting train-ing and technology, supporting small businesses and easing

the pressures for "short-termism" in industry by tight-ening takeover regulations.

Tory call on Wallace files loss

David Calcutt heading inquiry into appeal by Colin Wallace

personal file held on Mr Wallace by his trade union - the

Institution of Professional Civil

Servants (recently renamed Institution of Professionals,

Managers, and Specialists) -

which may have contained details on the secret hearing leading to his dismissal, has

also gone missing. Union officials said that the

file had been removed appar-ently inadvertently along with an "enormous amount of other

documents" when the IPCS moved central offices in 1963.

contained correspondence relating to an appeals hearing of the Civil Service Board in

October 1975 which upheld the Ministry of Defence's decision

to dismiss Mr Wallace for leak-ing a restricted document to a

The file is believed to have

egory and it is understood that there will be few problems in finding flights.

Tour operators and other airthes were making arrange-tnests yesterday to fly home about 300 holidaymakers booked with BIA.

The airline's collapse reflects the sharp downturn in package holiday bookings this year for both winter and summer short-haul holiday destinations. The big charter airlines, such as Britannia (part of Thomson Travel) and Air Europe (Intasun), have been able to absorb the downturn in traffic without having to trim their fleets. Some aircraft, how-ever, have been leased out in

BIA did not have the support

to appear.
"If new regulations are not with us by March 31 there will with us by March 31 there will

be no way of appealing against an entry in the valuation list

unless and until regulations

are made," Mr Edwards said. He predicted that substantial

changes to the appeal mechanism were likely, including limitations on the right to appeal. It had been suggested, for example, that the Government intended to limit the

right to make an appeal pro-posal to those with a direct interest in the property — own-

Another important change

was that proposals to alter the list can only be made within

six months of the list coming into force on April 1.

government's chief preoccupa

tion would be with state own-ership. Instead, it proposed a

series of national and regional

investment institutions to sup-port rather that direct areas of

journalist without permission. The Government this week

announced that it was setting

up an inquiry into Mr Wal-

lace's appeal, headed by Mr David Calcutt, QC, chairman of the Takeover Panel.

Mr Cliff Crook, an official of the IPCS, said he had agreed to

present the case on behalf of Mr Wallace in 1975, after hear-ing the "most extraordinary story anybody has ever told

Mr Crook said: "I recognised

him (Wallace) as someone who needed some help because he didn't know where to turn to, He was almost on the run."

industrial development.

of a large tour company to fill its seats and had a poor reputa-tion in the travel trade for the quality of its services. Mr Michael East, an independent travel consultant with Eastcastle Management, said yes-terday: "The major charter carriers have spent heavily to upgrade their aircraft and pas-sengers were looking for better

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service than BIA was giving."
BIA employs about 500 peo-ple and operates 10 aircraft which are leased, including BAC 1-11s and McDonnell Douglas MD-83s.

• The slump in holiday book-

ings this year yesterday prompted ABTA to appoint Scott Gold Blyth, a firm of spe-cialist public relations consultants, to help boost sales.

NEWS IN BRIEF Enterprise zones may face high rates

Clothing group can erning the appeal procedures for businesses. Although the 1968 Act provided that such a procedure would be estab-lished, the regulations had yet continue

to trade RESPONSE GROUP, clothing company which went into receivership earlier this week, has secured enough capi-tal to make sure its businesses can carry on trading to be sold-

as going concerns.

Ernst & Young, the accountancy group which was called in as receiver on Monday, is trying to find buyers for all the Response businesses. Response employs 4,000 people in the UK and the Irish Republic.

Lawson attacked

THE appointment of Mr Nigel Lawson, the former Chancellor as non-executive director of Barclays Bank and Barclays plc at a salary of about £100,000 was attacked by opposition

MPs yesterday. Mr Paddy Ashdown, leader of the Liberal Democrats, said the lack of comment about Mr The programme's launch, to be followed by meetings around the country between Lawson's new job just weeks after his resignation from the Cabinet was "a sign of how low our public life has sunk." Labour spokesmen and busi-ness leaders, will not be any significant departure from the strategy of the policy review. That strategy aimed to dispel the view that a future Labour

A Commons motion condemning his move has been tabled by seven Labour MPs. The motion says the House is "appalled" by Mr Lawson's "moonlighting when in receipt of a full parliamentary salary," and contrasts his position with that of ambulance crews.

VAT appeal

A MAN who set up off-the-shelf companies to obtain a £15m Valued Added Tax pay-out was cleared of fraud by three Appeal Court judges yester

day.

They ruled there had been a material irregularity during the trial of Mr Stephen Howard, a Nottingham accounts clerk, who had claimed he had only been trying to expose a loophole in the VAT legislation.

Mr Howard's conviction in June 1988, of fraudulently obtaining a VAT payment, for which he had been given a two year conditional discharge, was quashed. His appeal was not opposed by the Crown.

UK-Soviet thaw

However, the union had found it difficult to press its case after a key witness for the RELATIONS between the Soviet Union and the UK have taken a step forward with an agreement on levels of both Ministry of Defence failed to appear at the hearing.

Mr Crook said that once the diplomatic and commercial board had confirmed Mr Wal-lace's dismissal "my advice ito him! was to emigrate to Canrepresentation, the Foreign Office said yesterday. Each country limits the

number of representatives from the other to 205. Both sides are committed to working towards a state of relations where restrictions are no longer necessary, the Foreign Office said yesterday.

SHARELINK, the executiononly dealing service which is 70 per cent-owned by British Telecom, has written to apolo-

gise to its 100,000 clients over extensive delays in handling deals in water shares.

It has also apologised to clients over an explanation they had been given of the effects of the abolition of VAT on stockbrokers' commissions at the start of the year. The Securi-ties Association, the industry's regulatory body, and several clients had claimed this was

said yesterday.

The financial markets had expected a small fall but the news of a small rise caused lit-

At the end of January the



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Sinn Fein conference haunted by 'mistakes' By Kleran Cooke in Dublin

SINN FEIN, the political wing of the IRA, holds its annual conference in Dublin this

weekend amid growing con-cern about the effect a number of IRA "mistakes" is having on the movement's popular sup-

the movement's popular support.

Last weekend Charles Love, 16, a Roman Catholic, was killed by an IRA bomb during a march in Londonderry commemorating the army's "Bloody Sunday" shooting of 13 civilians in the city in 1972. The IRA described Mr Love's death as "a freak accident."

For the first time the Sinn Fein conference will debate a report by the party leadership which says part of the reason for a decline in electoral support is due to "IRA operations that went wrong."

In local elections in Northern Ireland in May Sinn Fein's

ern Ireland in May Sinn Fein's share of the vote dropped

alightly to 11 per cent. Although Sinn Fein sees itself as an all-Ireland movement, its activities and support base are overwhelming within Northern

reland.

In a general election in the Republic last June, it once again failed to win a seat in the Irish Parliament and its share of the total vote fell from 1.8 per cent to 1.2 per cent. But there is unlikely to be

any significant criticism of the IRA and its activities this weekend. Sinn Fein has always taken the view that IRA "volunteers" are the only people qualified to criticise their own

qualines to criticise their own actions, as they are the ones fighting and taking risks.

The highlight of the weekend conference will be a speech today by Mr Gerry Adams, MP for West Belfast and president of Sing February. of Sinn Fein. The conference will debate a motion for a rotation of the party leadership, but it is thought unlikely that Mr Adams will be forced to

step down.

The conference takes place in a building just behind the Lord Mayor's official residence in central Dublin. Previous conferences have included a report by the IRA's Army Council on the course of "the struggle," an event from which the media is excluded. While the IRA might express

regret at a number of recent bungled operations, there is no sign that it intends to limit its activities. The security forces are reported to have had con-siderable success in recent months in countering some of months in countering some of the more sophisticated IRA bombing methods. This has forced the IRA to resort to cruder devices which have often led to the deaths of civilians or of "volunteers" themselves.

ada or Australia perhaps, because he'd have not just the IRA looking for him but other people as well."

In 1986 an inquiry headed by Mr Calcutt into another intelligence scandal concluded that eight servicemen accused of spying while working at a top secret signals station in Cyprus had been unlawfully Sharelink apology held in custody and subjected His current responsibilities include that of Independent Assessor of potential compensation claims in the case of the Guildford Four.

misleading.
People who have lost money

because of he delay would be able to claim compensation, though each case would be considered on its merits.

Reserves up \$80m THE UNDERLYING level of Britain's reserves of foreign currencies and gold rose by \$80m last month, the Treasury

news of a small rise caused lit-tle surprise. The pound was been relatively strong in Janu-ary and the authorities had lit-tle need to support

UK's total reserves stood at \$38.4bn compared with \$38.6bn at the end of December.

UK NEWS

GEC delays Tantalising television window out of a lifestyle of poverty paying its suppliers, says MP

By Ivor Owen COMPANIES IN the GEC group were accused yesterday of delaying settlement of accounts with suppliers for as long as seven months. The accusation came in the Commons from Mr Michael Mates a senior Conservative back-

Delaying tactics encouraged by the Government followed a 71-minute speech by Mr Tinr Eggar, Minister for Small Businesses, and prevented the Interest on Debts Bill from-securing a second reading. Mr Mates, MP for Hampshire East, was chief sponsor of the bill backed by the Insti-tute of Directors and other

He said it would deal with the "scandal" of late payment of debts by leading companies and government departments which caused difficulty for

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The bill sought to make large companies subject to a statutory requirement to pay 15 per cent interest on debts not paid by 28 days after the agreed contract date. It now has virtually no chance of

becoming law.

Mr Eggar said the bill conflicted with the Government's deregulation philosophy. If it became law it would have only

a "marginal effect."
He urged GEC and other large companies to lock at their payment practices and consider whether "in all con-science" they were acting in a way that was fair to their suppliers and in their own inter-

The minister underlined the practical difficulties which small businesses would encounter — particularly in relationships with large customers — if they sought to take advantage of the hill. Mr Mates said he had received hundreds of letters

from small businesses which welcomed the hill.
The letters included many complaints about members of the GEC group and its "notori-ety" for not settling debts on time. He also quoted a letter from Rolls-Royce telling sup-pliers at the end of last year that because it had been affected by two big industrial disputes it intended to delay

payments for eight weeks.

Mr Mates said complaints about government depart-ments included the Ministry of Defence and Ministry of Agri-

Defending the record of government departments, Mr tle firm evidence that they were bad payers. "It is our firm policy that all payments should be made on time."

Mr Eggar acknowledged that there had been difficulties with the National Health Service and said regional health authorities had been instructed to reduce unacceptAlan Pike looks at the 'grey, constrained' life of the poor who have to survive on tea and toast HE DIFFERENCE betrian poverty, Sir David Steel, the former Liberal leader said this week, is that today's poor can see visions of the

on their television screens.

True: But can people who have colour television sets be said to be living in poverty?
It is far from a frivolous question. The frequently heated argument about the extent of poverty in Britain, revived this week by a Com-mons debate and the publica-tion of a Church of England

other society night after night

rban areas, is conditioned by Theatre-goers in central London at night cannot escape the sight of people, many young, sleeping rough on pavements. Their numbers seem to be increasing. But is this poverty, or some more complex set of problems involving the individ-

report on life in deprived

uals concerned? The answer to this question is less central because most poverty in Britain, however defined, is a much more private experience than the sort which is encountered on the pavements. It occurs in places where ordinary people are try-ing to keep ordinary homes going, usually with the aid of

state benefits. Most of these people have television sets and refrigerators, many own a car. But, say critics of the Government's social policies, they are cast in a lifestyle of poverty. They are am underclass.
If this lifestyle is to be

labelled poverty, definitions matter, but they are more open to dispute than most other Mr John Moore, then Social

Security Secretary, declared last year that it was "utterly false" to suggest that many British people were in poverty. Soon afterwards, Birmingham City Council produced a report which concluded that 37 per cent of the population of England's second city were on or below the poverty line. The distance between conflicting schools of thought is breath-

Estimates such as the Birmingham one cast poverty in terms of those whose income is at the qualifying level for Department of Social Security income support, which has never been recognised by gov-ernments as an official poverty line, but has long been treated as such by many academics and poverty pressure groups. An informal practice has also grown of regarding people whose incomes are between 100 and 140 per cent of the income support level as being on the

margins of poverty. Opponents reject this approach, saying it has the effect of increasing "poverty" whenever benefits are raised or more people are persuaded to

But, much as those such as Mr Moore disapprove, poverty is increasingly presented in relative terms and blends unavoidably with the issue of equality. Here the evidence is somewhat firmer - during the 1980s the proportion of final income in the hands of the poorest and richest sections of society began shifting to the advantage of the wealthier

rougs.

Poverty is extensively researched. Reports repeatedly expose the problems of people on benefit levels, describing a grey, constrained way of life. That is the heart of what pressure groups mean by relative poverty - not only a lack of money, but a consequent powerlessness and inability to share in taken-for-granted

aspects of everyday life.

Ms Ruth Cohen is conducting a Nuffield Foundation-funded study of 45 families on income support for the charity Family Service Units. The first results have yet to be analysed, but she says: "The research gives impressions of people, particularly single mothers, who live on tea and toast some days so that their children get enough to eat. Impressions of people with problems meeting even small school expenses for their children."

Since poverty is frequently a consequence of being unable to work it strikes at particular groups, the long-term unem-ployed, the elderly, single par-ents, the disabled and ethnic

A study this week by the National Council for One Par-ent Families found that 85 per cent of mothers surveyed lived on income support, receiving from all sources between £58 and £83 per week to cover all An Office of Population Cen-

suses and Surveys study of disability - the most extensive ever conducted - has found that only 31 per cent of disa-

bled adults of working age were in employment compared with 69 per cent of the general population. State benefits were the main source of income for 75 per cent of disabled adults in private households.

Without agreed definitions and more statistical information, part of the answer to the erty in Britain is increasing has to depend on impressions. The Rev Charles Razzall, link officer in Manchester for the team producing this week's church report, says more peo-

ple are calling at vicarages for urgent help with essential items such as clothes. "Needy people have a whole matrix of problems arising from a lifestyle of poverty which affects them on a deep personal level. The single par-ent living in poor quality hous-ing, without the life skills and experience which makes it easy to deal with officialdom, faces quite a range of prob-lems," he said.

The Anglican Diocese of Southwark is shown in the Church of England report to have more of its population — 48 per cent — living in urban priority areas than any other in England. The Ven Douglas Bartles-Smith, Archdeacon of Southwark, and other local clergy wrote recently to Mr Tony Newton, Social Security Secretary, saying that the Social Fund, part of the Gov-ernment's 1988 social security changes, was making life for some poor people still more dif-

Anxiety about the workings of the fund unites almost all organisations concerned about poverty. Until the 1988 changes, the needy had one last rope to clutch at beneath the main social security safety net - one-off grants to claim-ants who had to meet urgent needs like a new cooker or bed. This system has been replaced by a cash-limited one, based mainly on repayable loans rather than grants.

Advice workers say many people are reluctant to take out Social Fund loans because of worries about the repayments.
A study last month by the
National Association of Citizens Advice Bureaux showed that of 550 clients who did make claims, 55 per cent were refused help — on grounds which included being too poor to repay the loan.

report, is multi-dimensional and not simply determined by income levels, "The poor have shorter lives, worse health, poorer education, are more likely to be unemployed, have r wages, poorer housing and feel more sharply the decline in public services."

The report quotes from Mat-thew Arnold's Victorian poem East London: "Twas August and the fierce

sun overhead Smote on the squalid slums of Bethnal Green And the pale weaver, through his window seen In Spitalfields, looked thrice mirited."

The living conditions of the poor have changed beyond description in the 100 years since Arnold wrote, but Spitalfields remains one of the most deprived local authority wards in Britain. A report by Tower **Hamlets Association for Racial** Equality describes Bangladeshi milies there sharing outside toilets in some of the worst housing in the country. Death rates of middle-aged

men in deprived inner city bor-oughs such as Tower Hamlets are approximately double those of the affluent outer parts of London. Although the links between wealth and health are complex, there is substantial evidence that for thousands the ultimate penalty of poverty is premature death.

Jobs are for many an escape route from poverty, and ministers point out that deprived areas have shared in the over-all reduction in unemployment. But many working-age poor people face disadvantages when it comes to seeking work the provision of good, flexible childcare would argushly have a far greater effect on poverty among single parents than any improvement in social security benefits

social security benefits.
Groups trying to make poverty a mainstream issue face the same hurdle as prison reformers: it is outside the proba-ble experience of most people. The poor may see visions of "the other society" on television every night, but the same is not true in reverse. Most members of the more affluent "other society" rarely have cause to visit deprived innercity areas. It may be a statistical exaggeration to say that 37 per cent of Birmingham's population is in poverty. But if it were true, would the other 63



Two faces of poverty: a couple in their flat in Wapping, East London (above), without hot water for six weeks, and (below) down and out in London's Waterloo



DTI will activate more Companies Act powers

THE GOVERNMENT plans to bring more provisions of the Companies Act 1989 into effect

by May.

Mr John Redwood, UnderSecretary for Trade and Industry, said yesterday that he had
arranged to complete by April
1 implementation of those parts of the act relating to mergers and investigations by

the DTI, and its power to obtain information. Draft regulations under the act allowing listed companies to issue sum-marised financial statements to their shareholders have been issued to interested

An order is expected later this month to activate other provisions of the act.

Government cuts estimate of future deaths from AIDS

of AIDS over the next few vears in Britain were vesterday revised sharply downwards, largely reflecting changes in sexual practices among homosexual men.

The figures, which may hold implications for healthcare agencies and for drug compa-nies, came as the World Health Organisation reported 215,144

11.545 more than the figure in December. The projections from the Health Department's Public Health Laboratory Service, are for 6,380 deaths in England and Wales to the end of 1993. That compares with the previous forecast, 14 months ago, of between 7,500 and 17,000 deaths in Britain by the end of 1992. Official estimates put the num-

OFFICIAL estimates for the AIDS cases worldwide at the ber of deaths from AIDS so far 17,500. There were 750 to 3,750, said there were "tremendous in Britain at about 1.500 The forecasts put the number infected with the human immunodeficiency (HIV) virus at between 12,000 and 26,000. The previous estimate was 20,000-50,000. Most infected people are expected to develop full-blown AIDS in 5-10 years. The Health Department said the number of infected homosexuals was between 8,750 and

infected heterosexuals. Th number of drug abusers with the virus was 1,100 to 3,500.

Mrs Virginia Bottomley,
Health Minister, warned: "The potential for widespread dissemination of [the virus] still remains, particularly among heterosexuals and injecting

drug users."
Mr Robin Gilbert, an analyst at stockbroker James Capel

market possibilities' companies.

Mr Jonathan de Pass, an analyst at Barclays de Zoete Wedd, said that while the UK had limited the disease to homosexuals and drug abusers, that was not the case in the rest of the world. There were clear signs of a "breakout" into the heterosexual population of AIDS in some countries.

EMPLOYMENT

Companies look to Europe for staff

By Lisa Wood, Labour Staff

TWO LARGE British employers – Marks and Spen-cer, the clothing and food retailer, and John Mowlem, the construction group – will next week set up their stalls at one of Europe's largest graduate recruitment fairs.

This is the first time any UK companies have formally sought to recruit staff at the Co-Media job fair in Brus and is part of a push by UK companies to recruit continental graduate staff. Foreign subsidiaries of UK

companies have for many years recruited indigenous workers for local operations, while the parent companies have hired particular individuals for operations within the

What is emerging as a new trend, however, is UK compa-nies formally extending their recruitment programme to incorporate continental gradu-

ates.
Miss Helen Perkins, chairwoman of the Association of Graduate Recruiters, said: "About 50 per cent of our members are involved in some form of graduate recruitment on the Continent. Two years ago there

were virtually none."

John Mowlem said broadening the experience of its UK labour force was the main reason for its visit to Brussels next week. The company recruits up to 200 graduates

every year,
Ms Tamsin Phipps, head of
Mowlem's training department,
said: "We have an increasing
number of European Community sub-contractors on our UK sites, particularly in London, so the ability to speak foreign languages is important.

"In addition, in recruiting foreign graduates to work in the UK we are trying to inject new ways of doing things, of broadening our minds. We are believe for a warfaty of experilooking for a variety of experi-

Continental civil engineering and building degrees are different from those awarded in the UK and Mowlem plans special induction courses for recruits to harmonise their experience with that of their UK counter-

Mowlem has no specific recruiting target. Marks and Spencer, with 10 overseas stores, wants about 25 continental graduates for its UK stores. It is visiting job fairs being held in Brussels, Antwerp and Paris over the next few weeks.

ment manager, said: "This is

stores in Paris, for example, recruit locally but that is for the local operation."

which has no problems getting sufficient applicants in the UK was not looking to create a cadre of Euro-managers.

However, the group did want people who had horizons beyond that of their own countries, he said. The recruits could be among those taking up appointments on the Continent should M and S so

the first time we have set foot on foreign soil in a positive effort to recruit graduates for our UK stores. Of course our

He added: "1992 is almost upon us. We are a European, as well as an international business, and we feel it is now right to recruit on the Conti-

Mr Shaw said M and S -

Mr Mike Shaw, store recruit-

reject 7.8% pay offer By Fiona Thompson, Labour Staff

UNIONS representing non-managerial staff at Lloyds Bank yesterday rejected a 7.8 per cent pay offer. The Lloyds Bank Group Staff Union, representing 22,000 of the bank's 44,000 non-managerial staff, and Bifu, the financial services union representing 16,000 Lloyds employees, dismissed

Lloyds Bank employees

Lloyds Bank will meet the unions again next week, and both LBGSU and Bifu will be looking for an improved offer.

The LBGSU had put in a claim for 9 per cent and the option for those below assistant manager level to have their 2.5 per cent annual bonus consolidated into basic pay. The Bifu claim was for £300 and 12 per cent.

consolidation request and said its pay offer was competitive. Outlining its reasons for rejecting the offer, LEGSU cited the NatWest 8.3 per cent offer, the public sector pay increases announced on Thursday giving average rises between 7.9 per cent and 11 per cent, and estimates by the Confederation of British Industry showing settlements

The bank refused the bonus

averaged 8.3 per cent in the third quarter of 1989. Bifu said the pay offer should be improved because of increased workloads due to the bank's plans to regionalise security work and expand the

pay offer. The Barclays staff union is claiming 14.5 per cent and a new grading structure. The Bifu claim at Barclays is for £300 and 12 per cent.

Traditional model of labour market inadequate, study says

By John Gapper, Labour Editor

FIVE TYPES of worker, including well-paid people with stable careers, women who have unstable working lives because of domestic responsi-bilities, and young men who often move to better jobs, have been identified in a study.

The Government-funded study of worker segmentation concludes that a traditional model of labour market "insiders" with stable careers and "outsiders" in poorly paid tem-porary and part-time jobs is

Instead, the study of 1,022 adults in Northampton, concludes that there are five dis-tinct types of worker in stable segments, who have quite different levels of job expectation and satisfaction.
The study suggests that

employers may gain advan-tages from understanding dif-ferent groups of workers because it will give them the opportunity to recruit employ-

By Raymond Snoddy

publisher of Mirror Group

Newspapers, has decided to "reinvigorate" his three national titles by bringing in

young journalists and encour-

aging employees over 55 years old to leave.

told editors this week that they

should take urgent action on

the early retirement plan for

There will be virtual manda-

tory early retirement for any-

one aged over 60. If an editor

wants to keep a journalist over

the age of 60 because of special

journalists.

Mr Maxwell, who is 67, has

ees who respond very differ-ently to jobs with similar skills levels and pay. The study identifies:

Primary workers. Largest group in the sample — comprising 40 per cent of those studied. It was also the most advantaged. Its members were 78 per cent male, well-paid and of higher social class. • Stickers. These were a little

older than others and 62 per cent of them were female. They were the most satisfied with all aspects of their jobs, although their pay, fringe benefits and skill levels were lower than the primary group.

Female descenders. People

with the highest amount of domestic interference in their labour market activity, as measured by working part-time and quitting jobs for domestic reasons. Ninety-six per cent of them were women.

They received the lowest pay and had the highest proportion or lower level jobs. Half of them had transferred to a lower paid job when they last

transferred employment.

• Young and mobile males They were 30 years old on average and saw their chances of getting better jobs as being the highest of all the groups. They comprised only 5 per cent of the sample and were 80 per cent male.

 Male descenders. These were men who "seemed to have nothing going for them." They had all changed jobs in the past to one of a lower social class rating, and most had been sacked or made

redundant at some time.

Segmented Jobs and Segmented Workers: an Empirical mestigation; By Brendan Bur-chell and Jill Rubery; ESRC Social Change and Economic Life Initiative Working Paper 13; Duncan Gallie, Nuffield College, Oxford OX1 1NF.

Labour unveils training and education scheme Maxwell seeks younger journalists

By John Gapper and Alison Smith

THE Labour Party yesterday unveiled a training strategy under which post-16 education and training would be integrated, and Britain would move closer to the French system of state funding of young people's vocational education.

It said that it would broaden examinations for the over-18s along European lines, introducing a modular system of study. The aim would be equal status for young people going into jobs and higher education. Mr Henry McLeish, Labour's

training spokesman, said that a Labour government would introduce a new idea of "traineeship" for young people not going into higher education. They would have special status as young workers.

Young people would follow courses and achieve qualifica-tions related to their choice of career for between two and four years. Employment for nnder-18s that did not involve. structured education and training should be eliminated.

Mr McLeish said a Labour government would establish a National Training Fund to which employers would have to pay set contributions. However, the amount that

employers would contribute would be discussed further. He said the Government's rhetoric about improving train-ing did not not "square with the reality", and accused it of a "catalogue of complacency." The Government had intro-

duced only "high volume, low

quality and low cost schemes." in a paper presented to a conference in London organised by Personnel Today magazine, Mr McLeish said Labour would put a new emphasis on regional initiatives and would re-structure the Employment

He said that Training and Enterprise Councils, which are being established by the Government, would be retained by a Labour government but their

funding and objectives would be "urgently reviewed." At Downing Street, the Prime Minister held a seminar for senior ministers to listen to representatives from industry, academic life, commerce, retraining councils and local

Mr Michael Howard, the employment secretary, Mr John MacGregor, the education secretary, Mr Kenneth Baker, the party chairman, and Mr Norman Lamont, chief secretary to the treasury, were among the senior ministers

Others present included Mr Tim Eggar, the junior employment minister and Mr Robert Jackson, the junior education minister, together with officials from interested depart-

Downing Street said that the

seminar provided an opportu-nity to inform ministers how

the range of training initiatives

were performing, and how

industry was coping with the

computer system. At Barclays Bank, unions have rejected a 7.75 per cent MR ROBERT Maxwell, skills or experience a special is linked to years of service. case will have to be made to the publisher.

Employees turning up for work at the Daily Mirror have been called in and told of the new policy this week. Journalists between the age

of 55 and 60 will be encouraged to take early retirement by suggesting it might be in their best interests to take advantage of the pension deal.

Anyone leaving at 55 will have their full pension rights brought forward with no loss of rights and will be paid their full notice period which

Compensation at twice the statutory redundancy level is available as a alternative. Journalists who reach the age of 55 in subsequent years will be able to retire early.

If employees eligible to take early retirement at the Daily Mirror, the Sunday Mirror and The People did so it would cost Mr Maxwell £2.5m. One Mirror journalist said

vesterday morale on the papers was now very low. Mr Maxwell who was travelling in Europe yesterday was unavailable for comment.

FINANCIAL TIMES

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Saturday February 3 1990

Momentum of reform

SOUTH AFRICA can never be the same again. President F.W. de Klerk's constructive speech in Parliament gave a critical impetus to a momentum which began with the limited reforms introduced by his predecessor, Mr P.W. Botha. The process of change may now be unstoppa-ble: the question is whether black and white South Africans can ensure a stable transi-

tion to a democratic society.

Mr de Klerk stopped short of releasing the African National Congress leader Mr Nelson Mandela. But the president's commitment to free him soon was such that to renege is unthinkable, not least because of the expectations among black South Africans and west-

ern governments. Mr de Klerk also regrettably retained the state of emergency, in part because of the powers needed to deal with black factional violence in Natal province. But in every other respect he took the steps that should open the way to constitutional talks: the lifting of the ban on the ANC and other proscribed political par-ties, freedom for all political prisoners other than Mr Mandela, a moratorium on execu-tions for political offences, and repeal of the Separate Ameni-

The fact that three pillars of apartheid - the Group Areas Act, the Identities Registration

Act and the Land Acts remain is the most serious omission. Yet this should not prevent the ANC (which should now announce a halt to guerrilla activity) and other anti-apartheid parties from accepting Mr de Klerk's invita-tion for talks. No-one should overestimate

the chances of success. There is a seemingly unbridgeable gulf between the ANC's demand for a majority rule constitution, and Mr de Klerk's continuing commitment, made clear yesterday, to a system based on "group" (i.e. race)

It is not for the outside world to dictate the terms of a new constitution for South Africa. Nor is it yet the time to relax sanctions. Judicious use of this pressure can push both sides towards compromise. The release of Mr Mandela should trigger a co-ordinated western stance which links reform in South Africa with a progres-

sive withdrawal of sanctions.

The most powerful sanction, however, is not in the hands of governments. Only when South Africa looks set for constructive change will international banks resume lending. and investors return. That change lies in the hands of South Africans, Mr de Klerk's speech yesterday was a big step in that direction. Many

Sterling's show of strength

may have had a terrible January, but it is easy to overlook the fact that the pound has turned in its best performance for a long time. A month ago it was hitting new lows against the D-Mark and there seemed a risk that interest rates would have to be raised. Since then it has risen by more than 10 pfennigs against a strong D-Mark, and its trade weighted index has appreciated by 4 per cent, reversing more than a third of

last year's sharp decline.
The publication of the November trade figures just been the turning point, and the much better than expected December figures have added to the belief that the UK's substantial balance of payments deficit may not be such an insuperable problem after all. The strength of UK exports, combined with increasing evidence that UK consumer spending has been tamed, have all contributed to an improve-ment in sentiment. While the high level of wage settlements

remains a concern, a source on importers' margins and on corporate profits seems to be preventing the full effects feed-ing through to the inflation

The risk premium attached to holding sterling has fallen noticeably over the last few weeks. The assumption is that next month's Budget will be tough, which can only be good for the currency. The final factor working in sterling's favour is that the UK's interest rates are looking attractive relative to other high yielding curren-cies. Since the start of the year, Australia have fallen by around 100 basis points and French interest rates have fallen by more than 50 basis points. However, the recent sharp drop in the Australian dollar, after the Australian Government began to ease monetary policy in order to increase its chances of winning re-election, is a cautionary reminder that it would not take much to prick sterling's current burst of strength.

ith more boldness and imag-ination than any leader in 40 years of National Party rule, Mr F.W. de Klerk, the South African President, has transformed the political landscape of South

Apartheid will not end with his Apartness with not end with his decision yesterday to legalise opposition to white rule, release political prisoners and welcome home extles who have spent three decades fighting

for liberation.

Even the release of Mr Nelson Mandela, the African National Congress leader — to which Mr de Klerk is now irrevocably committed - will not, in itself, bring blacks to power in Pre-

But when South African parliamentarians yesterday heard their president's plan for a new South Africa, they gasped at its scope. And well they might, for Mr de Klerk has carried his people and his country far beyond the old certainties of represident Mr and Palita desiration. sion and white domination. There can be little doubt that he has set in motion a process with an outcome that he can neither control nor pre-

The way now seems clear for talks on a new constitution for South Africa. But the gap between the two sides is unchanged, with the ANC firmly committed to majority rule and Mr de Klerk — as he stressed again yesterday — clinging to a system based on what he has termed "group rights." To the ANC that means noth-

ing less than perpetuating racism.

Nevertheless, the distance travelled already is enormous. Until late on the eve of the address to Parliament, it looked as though Mr de Klerk's cour-

age might not hold.

Senior party officials went to great lengths to limit international expectations of the speech, rehearsing all the reasons why Mr de Klark could not amounce a release date for Mr Mandela, unban the ANC, and free politi-

cal prisoners.

After eleventh-hour contacts between government officials and Mr Mandela — which are understood to have included a meeting between Messrs de Klerk and Mandela, though the Government denies this officially - the latter two difficulties were

And even the most substantial obstacle of all - the release of Pretoria's most famous political prisoner,

Mr de Klerk has set in motion a process with an outcome he can neither control nor predict

Mr Mandela - seems almost certain to be overcome within the next few

weeks. The measures announced vesterday which will free the whole of the anti-apartheid opposition to operate politically within South Africa for the first time - have been widely weicomed. Archbishop Desmond Tutu, no friend of Afrikaner presidents, said Mr de Klerk's moves took his breath away. The man who has done more invite international condemnation of Pretoria yesterday pleaded the oppo-

"Give him credit, man, do give him credit. I do," the Archbishop told a press conference in Cape Town.

Those who support international economic sanctions against South Africa - and who have relied on the Archbishop's support for sanctions in the past — may find in this comment reason to reconsider their position. Mr Thabo Mbeki, the shadow Foreign Minister of the ANC - who has

De Klerk's leap into the unknown



repeatedly questioned Mr de Klerk's sincerity in the past — seems finally to have been convinced that Pretoria is serious about negotiating a new future for South Africa.

"If de Klerk is saying the time has come for talks, we may be saying the same thing ourselves," he said in Stockholm, where the ANC executive is meeting with its alling president, Mr Oliver Tambo.

And in the streets and shops of central Cape Town, the response from blacks, coloureds (mixed race) and lib-eral whites was one of delight and astonishment. In the Coffee Break snack shop, opposite the Parliament where Mr de Klerk was busy rewrit-ing South African history, tears welled up in the eyes of the three coloured waitresses as they delivered the news along with the sandwiches. Mrs Winnie Mandela was understandably disappointed that the husband she lost to prison 27 years ago had not yet been freed. And the

United Democratic Front, one of the anti-apartheid groups freed from restrictions by yesterday's speech, focused attention on the fact Presi-dent de Klerk had not removed some repressive legislation from the statute

tions expressed by groups which have suffered much at the hands of Pretoria, it is difficult to know what more Mr de Klerk could have done to prove his good faith. His boldest move was to legalise the ANC, the South African Communist Party and rival Pan Africanist Congress, banned in 1960. To some extent, this represents a mere formalisation of existing condi-

For in the three months since senior leaders of the organisations were released from prison last October, Pretoria has done less and less to enforce the bans, allowing the three groups to hold rallies, issue public statements and hold press conferences. This was the announcement which provoked gasps in the Parlia-ment chamber: for in the mythology created by previous governments, the chief demons in the white universe of fear. To hear former President P.W. Botha tell it, the ANC was spearheading an international communist

onsiaught against South Africa. onslaught against South Africa.

The ANC, for its part, never misses a chance to preach the virtues of the armed struggle. Now, presumably, it can do so openly, even in the heartland of Afrikanerdom — though a quid pro quo of the legalisation was that the ANC commit itself to seeking a peaceful solution to the country's problems.

It did so as recently as last month - while simultaneously insisting the armed struggle could not be abandoned - and Mr de Klerk may well have extracted an even more cate cal commitment to peace from Mr

The removal of the bans will mean that the exiled heads of the three groups can return to South Africa -though the ANC may wish to maintain a military presence outside the country, and government officials suggested yesterday that ANC mili-tary leaders might not be welcome to

Political leaders of the organisation would, however, he allowed back. And with their return, the process of open political debate which has been stifled for the past 30 years — and which is so crucial to the prospects for a negotiated settlement of the country's problems - can begin at last. Encouraging this debate seems to have been

the main aim of many of the changes announced yesterday.

From today, according to govern-ment ministers, all those groups and individuals who have been banned or restricted can operate freely. This includes all of the leading anti-apartheid opposition groups, such as the United Democratic Front,

and almost every black political leader (though those who have com-mitted violent crimes will remain in In addition, political prisoners (excluding those who have been sentenced for crimes such as murder, terrorism or arson) will be released, and will be able to assume their places in the leadership of the newly-freed

organisations. Mr de Klerk has also proposed that Parliament remove mandatory death sentencing for certain crimes from the statue books. Henceforth, judges are to be given far greater discretion in

imposing the sentence, and the right of appeal is automatic. This should also help to reduce the atmosphere of mistrust in the country. Anti-apartheid lawyers stress that Pretoria retains, none the less, measures which will allow it strict control

has not fully been lifted, detention without trial can continue although the detentions have been limited to six months, and provisions for ban-nings and restrictions remain. And they point out that the acid test of Pretoria's bona fides will be the release of Mr Mandela. It remains a mystery why Mr de Klerk did not take that step yesterday; but govern-ment officials insist privately that

there are no major obstacles to the They include arrangements for Mr

Patti Waldmeir assesses the South African President's political concessions

Mandela's security, which will remain an important source of concern throughout the next few months. But it seems almost certain that remaining difficulties will be solved by mid-March at the latest.

The release cannot come too soon: for it is clear that the rapid pace of reform has caught the anti-apartheid opposition largely unprepared. Opposition positions on crucial issues such as economic policy and minority rights are only half-formed, and have largely gone undebated until now.

rights are only maintormed, and have largely gone undebated until now.

The Government must be eager to see Mr Mandela guiding that debate; there is every sign that he may prove a moderating influence on young blacks schooled in township violence and the language of violent revolution.

For although Pretoria now seems to have created a climate for negotia-tions, the distance to be travelled in these talks is none the less great.

It remains clear that most blacks believe the subject of those negotiations will be nothing less dramatic than the transfer of power to the majority — while it is equally evident majority - while it is equally evident that Pretoria is not yet contemplating such an alternative.

The crisis in the white state - and in Afrikanerdom in particular - is m Arricaneruom in particular is serious. The economy is severely constrained by lack of foreign capital, and the Afrikaner community itself is deeply divided over the issue of

But the situation is certainly not serious enough to prompt the National Party Government to give up without a fight.

There are signs that Mr Mandela would be prepared to consider a com-promise which would involve some kind of protections for white minority rights; but that remains anathema to most of his followers, who insist they will only accept rule by the black

majority.

If, as seems likely, negotiations are not going to lead Mr Mandela and the ANC straight to Presidential office, the Tuynhuys in Cape Town, then the ANC leader's task becomes much more difficult and potentially divisive. He must somehow champion black nationalist aspirations - and be seen to do so - while avoiding alienating the 5m whites who will certainly be crucial to the economic future of South Africa.

He must decide where Pretoria is

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The South African Government has now passed a point of no return — a point no predecessor had even approached

vulnerable, and thus open to compromise, and where it remains unassailable; and throughout the process, he will have to sell compromises to a black constituency which is in no

mood to make concessions.

The process could well take years, and pass through a number of transitional phases along the way. But it seems overwhelmingly likely that the National Party Government has now gone beyond a point of no return - a point which no previous government

had even approached.
For while it would be wrong to exaggerate the influence of one man, especially one who is elderly and lacks all experience of the modern world, the fact of Mr Mandela's imminent release suggests that politics in South Africa are more fluid than at any time since the Second World War. And if Mr Mandela cannot exploit those conditions to achieve the creation of a non-racial, democratic and peaceful South Africa, it seems a fair bet that nobody else can.

or a man who took the decision which has led customers to desert his bank in hundreds of thousands. Mr Gerald Solomon. Lloyds Bank Senior General Manager for UK Retail Banking, is remarkably cheerful.
"I definitely have no butter-flies in my stomach," he said this week after it became clear that 375,000 of Lloyds Access credit card customers had closed their accounts. I would have them if we were not

two-year long series of pace-setting initiatives by Lloyds in the UK plastic cards market. Mr Solomon has been in charge of Lloyds personal market and plastic card business since 1986. A tough north east-erner who has spent all his adult life with Lloyds since graduating in law from Univer-sity College London, he maps out the bank's strategy from

Street offices.
"I belong to the post-war generation which was brought up to recognise the value of

his rather austere Lombard

money," he says.
Touches of Beuhaus style in the pink and grey furniture of office contrast curiously with the drab and self-consciously low-cost surroundings in which Lloyds senior retail banking executives work. At Mr Solomon's prompting, Lloyds broke ranks with the

other Access banks in 1987 by Joining Visa, the rival card payment system, to become the first British bank to belong to

both systems. From there Lloyds went on to issue a Visa debit card in 1988 for its current account customers and woo UK retail-ers with the first combined Visa and MasterCard process-

ing services.

Mr Solomon ranks fifth in the Lloyds pecking order after Mr Brian Pittman, the bank's chief executive. He says his enthusiasm for innovation in retail banking dates from a MAN IN THE NEWS

Gerald Solomon **Taking** risks doing what we are."

Becoming the first large British bank to introduce an annual charge for its credit cards is only the latest in a market for plastic

By David Barchard



Jersey in the early 1970s where he was free to experiment with

rules and products.
Willingness to experiment made Mr Solomon one of the few senior figures in Lloyds who felt at all bullish about the Government's proposals for student loans, though he was student loans, though he was eventually persuaded by his colleagues that the idea was not commercially viable. not commercially viable.

Lloyds is the smallest of the "Big Four" UK clearing banks, but its moves created the competitive setting in which its large competitors had to work out their individual strategies.

At the same time Mr Solomon has kept Lloyds out of some areas of plastic card business easily pursued by its rivals. Unlike Barclays, Midland, and National Westminster. Lloyds has stood aside

ster, Lloyds has stood aside from the rush to develop a new generation of smaller electronic terminals for retailers. Its debit card operations have stuck to the Visa brand.

Lloyds executives still tend to

mock Switch, the electroniconly debit card launched by NatWest, Midland, and Royal Bank of Scotland in 1988, even though it has grown more rapidly than they predicted. We

are already everywhere that Switch is," says Mr Solomon. Last August, on the day that the Monopolies & Mergers Commission published its report on the UK credit card industry. Mr Solomon processed. report on the UK credit card industry, Mr Solomon upstaged it with what may be his riskiest throw yet in the credit card game. He announced that Lloyds would charge £12 on its Access cards from soon after the New Year. On Thursday the charge came into effect. This is one move which so far none of the other large UK banks have copied. Though charges for credit cards are made almost everywhere else made almost everywhere else in the world, credit cards have been issued free in the UK

since they first appeared in the late 1960s. "The decision to introduce a charge on our credit cards was

really taken 12 months ago. Mr Solomon says. "It was quite coincidental that the MMC report came out at the same

The decision implied the deliberate sacrifice of large numbers of customers. The US nnmbers of customers. The US precedent suggested to Lloyds that around 15 per cent of a bank's cardholders could be expected to hand back their cards rather than pay a fee.

For Lloyds Access, that meant losing about 450,000 out of 3m cardholders. Around 300,000 card holders who seldom or never used their cards could be expected to go immediately once the fee was announced, while many others who paid their account in full each month (about 43 per cent each month (about 43 per cent of the total) might also close

These costs might look daunting, but Mr Solomon believes that the cutback makes sound financial sense. Profits in the credit card industhen have gone into a steepen-

ing decline.
The average retailer service charge of 1.8 per cent just about covers the cost of funding, but not other costs such as operating the scheme or cover-ing bad debts," he says. "Then there is the cost of the nil interest payer who pays his account in full each month." Lloyds believes that each

habitual non-interest payer costs it £20-£50 a year. The alternative would be to drive up the interest rate charged on credit cards even further without necessarily

guaranteeing improved profit-ability. That would have clashed in any case with another of Mr Solomon's stated objectives which is to re-position Lloyds Access card as a sensible bor-rowing instrument. The charge as allowed Lloyds to cut its interest charges on outstanding belances from 2.2 per cent a month to 1.9 per cent (29.8 per cent to 26.8 per cent APR). There may be further cuts. Meanwhile the outflow of

Lloyds Access customers does not ruffle Mr Solomon. On the contrary, he expects another 200,000 will have to be, as he puts it, "cleared out."

"Things have worked out pretty much as we hoped. We

have had remarkably little aggravation from our customaggravation from our customers. We are still opening 20,000 new Access accounts a month without advertising. Other Access customers who don't need credit cards are switching to our Visa payment card. We are issuing about 8,000 a day at the mental of the county of the the moment."
He doubts that customers

who want to borrow on credit cards can migrate in large numbers to smaller issuers such as Save & Prosper and Chase Manhattan with much lower rates. Their criteria for new customers are too tough and they can only handle far smaller volumes of business. "If our competitors don't follow us, we will have the whole field to ourselves. But I think

by the autumn we will see them following us," he pre-

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TRADE FINANCIERS

dened by debt used to acquire businesses in the mid 1980s, uses traditional technology and is almost completely dependent on low mar-gin, clothing sales in the UK market. The other uses high technology and makes about 80. per cent of its sales to telecommunication companies based

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Paisley Hyer, the first company, went into receivership this week. CML Microsystems. the second, is preparing for another year of healthy profits. Their contrasting fortunes represent the two faces of British industry as it prepares for the year ahead amid warnings

of gathering economic gloom.

Those warnings became more intense this week as Pai-sely Hyer was joined in receiv-ership by the Response Group, another clothing company, and British Island Airways, the charter airline. The Confederation of British Industry warned that industry was on the verge of a recession, with manufacturing output stagnating and unemployment rising. It is clear that in many

industries 1990 will be a dull year at best, and at worst very difficult indeed as companies struggle to rein in the confidence and costs which rose during the consumer boom of the mid 1980s.

But the outlook is far from uniform. The main problem for computer manufacturers in the Thames Valley is still the acute shortage of skilled staff in an area of near zero unem-ployment. Companies like CML Microsystems are looking forward to a good year, partly because they are riding on the growth of the personal telecommunications market.

Others, such as chemical companies and steel stockholders, may may face difficulties as markets fall from the his-toric peaks they reached in recent years. But if they are strong enough they can pre-vent a difficult year becoming disastrons.

Meanwhile companies like Paisely Hyer, which over extended themselves in cyclical consumer related markets, may fall into deep trouble if their managers are not able to reorient their businesses quickly enough.

Slowing growth sets the immediate economic environ-ment for companies. But the managerial response also matters. Did companies use the steady growth in the mid 1980s to reduce their vulnerability to a downturn in the UK or did they compound it by lapping up domestic orders? Praising management professionalism might have been easy during years of plenty. This year will

Charles Leadbeater reports on how British companies are facing up to a slowing economy



Success and failure in 1990

ing test of how well-run companies have become. Paisley Hyer and CML

Microsystems provide different answers to these questions. Paisley Hyer employs 2,400 people at 13 plants in the north east and the east Midlands making womens' wear and knitwear. A separate lingerie business in Somerset has avoided receivership.

Its lengthy struggle to avoid going under began in the middle of last year. The company built up its borrowings in the late 1980s to buy a string of businesses and earn a reputation as one of the fastest growing clothing companies. It even announced plans to go public. But high borrowings and slower sales exposed its low margins and relatively high costs. The first step in its attempt to avoid the receivers was to reinvigorate manage-

team appointed in September set about attempting to arrest the company's slide by selling jewellery business. Cost savings were accelerated in December, with the closure of the Hartlepool womens' wear

factory to improve margins. Meanwhile the company was negotiating with venture capitalists to refinance the company and was in constant contact with its bank to keep it afloat. Mr Tony Cant, Paisley's chief executive, says of the bankers: "They were support-ive within limits."

Those limits were reached this month. Mr Cant says: "We attempted to reach an accommodation with the banks but it became clear the gap could not be bridged and in the end we had to bow to the inevitable." The company, which is profitable at the trading level, is desperately trying to hold on

to its machinists and organise longer term refinancing. Although the CBI reports mounting optimism about

growth in export markets, Mr

Cant dismisses the suggestion that Paisley could have avoided its fate by switching production to overseas markets from the home market, where its main customer is Marks and Spencer. He says: "We have much more urgent problems than attempting to boost exports.

Our problems are that costs are too high, efficiency too low and margins too slim. We have to cut back to improve the core business before we could think of expanding overseas." Offsetting sluggish domestic sales by swiftly switching to

exports is very difficult unless a company has the foundation of healthy margins. Export drives entail much higher immediate costs in airfares.

hotel bills, car rentals, advisers and management time, for a reward which may arrive in the medium term. Far from improving a company's position in the short run it could

The lesson of CML Microsystems is that companies have to be well prepared, in advance of a UK downturn, to take advantage of growth overseas.

CML, which was established 21 years ago in Witham, Essex employs 130 people in the UK and 50 overseas to manufac-ture silicon chips for mobile radios and telephones and traffic management systems.

It has emphasised the importance of customer led research and development and high quality manufacturing engineering. About 20 per cent of its workforce is engineers. Research and development

through close links with its 12 main customers - which include Motorola, Siemens, Alcatel, Philips and Bosch has allowed the company to move from producing lower technology tone-signalling devices to silicon chips. As a result it has established itself in market which is set for considerable worldwide growth over the next few years.

Mr Brian Hardy, CML's marketing director says: "We recognised early on that the industry was going to be global." Although a small company CML has expanded overseas with determination. Almost half its £11.4m sales last year were in continental Europe. Even its British sales are export oriented. A large proportion of its its £2.9m sales in the UK went to Philips and Motorola, which export from their British plants. In the past eight years it has

set up two plants in the United States to expand its sales there to £1.7m. Most recently it des ignated a single salesman to work the Far Eastern market. CML has won orders from Matsushita and Japan Radio Corporation among others. Over the past three years its sales in the region have grown by about 50 per cent a year to £763,000.

The combination of product evelopment and efficient manufacturing means that CML works with healthy margins, which allow it to support its overseas operations. It made a £3.3m profit last year. As a result CML was well

prepared when the UK market began to slow. Indeed, it has benefited from high interest rates: it has \$4m in the bank. Mr Hardy says confidently "A recession in the UK would have hardly any effect on us at all." No doubt Paisley Hyer's machinists wish they could say

The butterfly's tip on exchange rates

Rachel Johnson examines the application of Chaos theory in currency markets

combination of popular science and economics this week lured an assortment of resident gurus from the merchant banks, Treasury and Bank of England away from their lunches, out of pre-Budget purdah and into Chatham House to hear how the latest scientific theory applies to the foreign exchange markets.

Chaos - a vogue science since Mr James Gleick's eponymous book spent 17 weeks on the New York Times bestseller list in 1988 - has become the focus of learned and algebraic debate in the currency markets, even though many a trader has long assumed that chaos thrived there without the aid of econometric models. Neither Mr Gleick, nor Mr Paul de Grauwe, the "chaoticist" who invented the models, defined exactly what chaos was, but both referred to the "Butterfly Effect." This is the name given to the discovery that tiny differences in input can result in huge differences in output. The effect is illus-trated in Mr Gleick's book he says the fluttering of a butterfly's wings in Peking today could cause a storm over New York next month.

The economists were shown models of exchange rate behaviour which incorporated the latest concepts from chaol-ogy. Mr de Grauwe, a research fellow at the Centre for Eco-nomic Policy Research, said his models challenged "conventional conclusions" about exchange rate policy. He dismissed 20 years of research in favour of the chaos model which, he claimed, reproduced

the unpredictable behaviour of the forex markets without the use of conventional models.

In the Non-Technical Summary of his paper, Mr Grauwe provides an explanation of what conventional models are. Since floating exchange rates were introduced in the 1970s, models have been linear, and driven by stochastic distur-bances – that is, the models have built-in variable elements and react to economic fundamentals and news events.

The new model - based on those developed in the natural sciences to mimic turbulent fluids – is random, not newsdriven. It reacts with extreme sensitivity to tiny changes in the input data. The chaotic series also solves the problem of conventional analysis, which is that sharp currency movements cannot always be attributed to news. In some interpretations, de Grauwe points out, both the dollar's rise in 1979-1984 and decline in 1984-1987 were attributed to the same piece of news - the US budget deficit.

The preliminary model shown to economists at Chatham House was not pure chaology, however. It did generate chaotic exchange rate movements, but had two variables. These were the effect a depreciating currency has on the trade balance, and the effect of dealers' expectations on currency movements. With the inclusion of variables, the model was deemed capable of generating real exchange rate dynamics — if not instant profits for currency traders. It is not yet clear how seri-ously the City will apply computerised chaotic models to currency trading. While the practical applications of the theory are growing fast -helping scientists to understand, for example, why the steady rhythms of the human heart can be irregular - analysis has not shown hidden order in the unpredictable movements of prices in the financial markets.

Mr Giles Keating, economist

at Credit Suisse First Boston pointed out that news events, such as the democratisation of eastern Europe, would continue to have quantifiable effects whatever a chaotic model forecast.

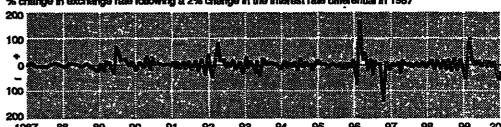
But this week's preliminary findings about chaos and the currency markets may signal a new trend. Chaology has taken firm hold in the US, and chaos models are engrossing Wall Street economists. "Six US investment houses will have their chaos systems up and running by the end of the year," says Mr Matthew Anna-ble, investment manager for Barclays de Zoete Wedd, the

UK securities house.
The model for the foreign exchange markets can be tailored to the equity, bond and commodities price markets, Mr de Grauwe said. It only remains to be proved whether the fluttering of a butterfly's wings in Peking can cause a storm about the sterling-dollar cross rate in New York.

*Deterministic Chaos in the For eign Exchange Market, Paul de Grauwe and Kris Vansanten, Paper No 370, Centre for Economic Policy Research, 6 Duke of York Street, London SW1.

Simple chaotic model of an exchange rate

% change in exchange rate following a 2% change in the interest rate differential in 1987



LETTERS

NHS curbs: hurt for optometrist and consumer

From Mr Ion Huiter: Sir, Your article ("Opticians feel the strain of NHS cash curbs," January 31) represents only the tip of the iceberg for

optometrists.

Many practices across the country are now facing severe damage to their viability, not only because of the drop in volume of eye tests but also because of the low level of the NHS sight test fee and the madequacy of the NHS spectacle voucher scheme. Our most

Drawbacks to staged rises

From Mr Chris Trinder. From Mr Chris Trinder.
Sir, in "Row looms over public sector rises," January 31) you state "government sources have suggested that ministers might consider staging some or all of the increases," and this was confirmed by later events. It is timely to note that when this occurred before, the nurses Pay Review Body (4th report, Cm129, April 1987) commented: "We regret, however, mented: "We regret, however, that, for the second year run-ning, the Government did not find it possible to implement our recommendations on the due date. The delay . . . re-

duced the possible impact on recruitment and retention." The Armed Forces Pay Review Body (17th Report, Cm126 April 1987) said: "The salary levels we recommend are intended to provide a fair income for servicemen and servicewomen in the 12 months from April 1 . . . We believe that the detrimental effect of the decision within the armed forces was out of proportion to the money saved." Chris Trinder,

Senior Research Fellow. Public Finance Foundation, 3 Robert Street, WC2

(accounting for the vast major ity of spectacles supplied to exempt groups) provides for less than 50 per cent of the cost

that consumers pay.
You identify Northern Ireland as having recorded an increase in the number of eye tests during the third quarter of 1989 compared with the same quarter in 1988. However, given that the research was national in scope, regional fig-

recent research shows that the uses have to be treated with 30 per cent drop in sight tests.

voucher value in Band A some caution. However, the essential point

In particular, Northern Ireland produced a very low sample of practices and is, therefore, the one region where one could seriously question the results. The previous quarter showed a 21 per cent fall compared with the previous

Our Northern Ireland branch has recently concluded a comprehensive survey of practices Bridge House, in the province which shows a 233-234 Blackfriars Road, SE1

is that government cha are having a dramatic effect on the profession's ability to provide a continuing service throughout the country. The profession is hurting, but more importantly, so is the con-

Ian Hunter Secretary General, Association of Optometrists,

In defence of Lloyds Bank's Access 'free-riders'

From Mr Clive Boker. Sir So Lloyds Bank regards any of its Access customers who pay their accounts on or before the due date as "free -riders" ("Fee drives 375,000 to drop Access," February 1). Could any remark by a sup-posedly respectable financial institution be more imperti-

nent or insulting? Even ignoring the manner by which the imposition of a £12 fee has been introduced

which, in turn, has been criticised by the Director General of Fair Trading, Lloyds conveniently omits to mention that:

All purchases by the "free - riders" generate substantial commission for the issuing bank

• The use of credit cards contributes to the desirable aim of reducing the amount of cash in circulation and therefore the costs to all banks. It also affords a degree of security to Is it surprising that Lloyds has already lost over 10 per cent of its credit card customers? It is only a pity that all of them are not bank customers

Can we now expect Lloyds' verse enough to stay in credit on their current accounts to be similarly insulted. Clive Baker 70 Grafton Way, W1

Life companies and monitoring of tied agencies

From Mr Glenn Morgan and Mr David Enights. Sir, Recent events at Garston Amhurst Associates bear out conclusions which our research on the Financial Services Act and life insurance companies reached last year. Based on an extensive questionnaire of compliance officers with life companies, we found that few had special procedures for ensuring that their tied agents were adequately monitored. Few companies appear to have been willing to develop control systems especially for their tied agencies,

or primarily on the agent's pro-fessionalism. It meant that this area of business was the least adequately controlled. In our view, it was only a matter of time before problems emerged. It is now clearly a matter of priority that action is taken to ensure that tied agents are more adequately monitored for compliance with the act. This requires action at two levels: Life companies that took on large numbers of tied agencies have a duty to develop a more adequate and comprehensive system of control and evalua-

types of distribution channels few months and must take into account general issues to do with the conduct of business. during its visits to companies the issue of tied agencies is given careful attention and spot checks on tied agents are carried out from time to time. As the leading regulator, the Securities and Investments Board should be concerned with clarifying how tied agents

> Glenn Morgan, David Knights, Manchester School of Management, University of Manchester Insti-tute of Science and Technology

Too little time From Mr W. Jongepier. Sir, Edward Mortimer's fan-

are to be adequately moni-

Humanities in danger of becoming a hobby for the rich

preferring to rely either on tion. This should go further systems designed for other than a perfunctory visit every

ledge," Weekend FT January 27), Nigel Spivey concludes that "it is time that knowledge was brought into the marketplace." He is apparently confident that citation indices will reveal the best brains, student loans will attract mature students into higher education, school-leavers will come to regard university courses as "choices for better lives, not

and innumeracy. He offers no evidence to sup-

port his assumptions, unless the fact that Socrates "argued habitually with cronies in the market" is taken as proof that the best academics are market-oriented.

One suspects that there is not a little self-interest in his uncritical assessment of government policy. As a classicist

From Ms Katrin M. Kohl.

Sir, Writing on the universities' future ("Pedlars of knowties' future ("Pedlars of knowsort out the nation's illiteracy

at Lampeter, he hopes to benefit from a system that bases
quality of education on personal wealth: provincial universities will, he claims, "get the chance to take those students who qualify intellectually for Oxbridge but cannot afford the higher costs of its

colleges," Whether those students will flock to subjects like classics remains to be seen. It seems more likely that they will choose vocational courses that provide a sound financial investment and enable them to pay off their debts.

In his opportunistic advocacy of the market-place approach, Nigel Spivey appar-ently fails to notice that he is supporting a move towards directly market-oriented courses. The humanities look set to become a hobby for the

in a mere 30 years. Maybe in Katrin M. Kohl, Jesus College,

Financial advice in the high street

From Mr G.R. Lister. Sir, Barry Riley ("When cli-ents are no longer fair game," Weekend FT January 20) was correct to raise the matter of sound and impartial advice on pensions and investments. But his article, suffered from one

key omission. The choice of independent financial advice on the high street is wider than he suggests. Whilst singing the praises of one leading bank's retention of its independent financial status, Mr Riley seems unaware that Bradford & Bingley is the largest build-ing society providing indepen-dent financial advice through

its branch network. Our service is designed to provide people with a pension or investment arrangement which most suits their needs and using whichever insurance company best fits the bill. Personal pensions are reviewed annually and further advice and information is available from over 300 trained pensions advisers. The advice from Bradford & Bingley includes advising a client to remain in a company scheme if that is the best option. G.R. Lister,

Chief Executive, Bradford & Bingley Building Society, Bingley, West Yorkshire

tasy about Europe's borders in the year 2020 ("When the lion lies down with the lamb," January 24) is an exciting vision of the future. However, in the case of Belgium, imagination is stretched too far. The accompanying map shows Flanders in the southern part of the country and Wallonia in the north. Such a drastic rearrange-ment could offer great advantages and it might make it easier for the French to learn that other great European language, Dutch. However, I feel that even the Belgians, with their talent for innovative political constructions, will not

achieve such an extremely

complicated logistical project

Wouter Jongepier, 110 Avenue Houzeau, B-1180 Brussels

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MTM launches a hostile £12m bid for Chemoxy

MTM, the specialist chemicals manufacturer, yesterday unveiled a hostile bid worth more than £12m in shares or cash for Chemoxy International, another chemicals group which is located just eight miles from the group's

Cleveland headquarters. Chemoxy described the 400p-a-share offer as unaccept-able and advised shareholders to take "no action whatsoever". Its shares leapt 149p to 417p in anticipation of a higher

MTM, which said its offer represented a 50 per cent premium to the market price at close of trading on Thursday, indicated that it would not be increased except in a competi-

Among the factors influencing the market was the prospect that Chemoxy may have a new £15m-£18m plant built for it by the Teesside Development

Chemoxy is discussing with the TDC a proposal to purchase for redevelopment the site of its Middlesbrough plant.

would be built at another site at the TDC's expense on an equivalent reinstatement basis. It is expected that construction would take a little less than

clusion had been reached. MTM is offering 186 new Chemoxy shares. A separate 57m offer by Robert Fleming for up to 3.43m MTM shares at 204p would provide the cash required to satisfy elections under a proposed cash alterna-

If successful MTM's issued ordinary share capital would expand by between 3.43m and 5.6m shares or at most 10 per

MTM's move for Chemoxy, which makes specialist chemicals for the oil exploration, detergent, fragrance, paint, pharmaceuticals and toiletry industries, is part of its strat-egy of building on its estab-lished speciality chemicals

From an industry viewpoint. tinue a process of consolidation which has swept through the sector as it has become increasingly capital-intensive. MTM, which has expanded rapidly both through organic growth and acquisition since its formation 10 years ago, is a

product of this process. The company is also attracted to the sidestream reprocessing service that Chemoxy sells to the chemicals industry.
"Minimising sidestream aris-

ings or maximising recovery is what it is all about today both from an economic and an envi-ronmental point of view", said Mr Richard Lines, MTM chair-man. "Chemoxy has the facili-ties that will enable us to do that to a greater extent inter-nally rather than contracting it

For the six months to last June 30, MTM reported pre-tax profits of £4.1m on turnover of £34.1m. For the year to last March 31, Chemoxy had pretax profits of £1.06m on turnover of £11.5m. The group joined the main market via a 25.35m flotation in May 1987. MTM shares fell 4p to 211p.

KLEEN-E-ZE HOLDINGS, the housewares distribution and direct marketing company, is omitting its final dividend after plunging to a pre-tax loss of £2.88m in the year to Septem-ber 1. Its shares closed 8p lower at 95p.

The group suffered in all sec-tors in 1988-89 but expects to return to "modest profitability" in the current year, Mr John Gough, chairman and chief executive, said yesterday. Among the factors responsi-ble for the poor result were the

postal strike in the first quarter, start-up costs at the Leading Edge retail chain, and a decline in demand for seals used in draught-proofing.

The company's direct marketing arm, which publishes

theinnovations catalogue inserted in national newspa-pers, incurred costs in setting up its own order-fulfilment

The original brushes and

ings). When it passed the interim dividend in May last year, Kleen-eze had forecast an 8.5p per share final. It paid a total of 12p in the previous 17

The attributable loss of

tor and former commodities is carrying a loss on paper of about £14m. "He's showing great resilience," Mr Gough

HE DISCLOSURE of Beazer's £29m provision against an investment in a collapsed Australian devel-oper and contractor did nothing this week to improve the UK construction group's trou-bled image on the London The group's share price fell

by 7p to 157p on Wednesday, the day of the announcement,

knocking almost 4 per cent off Beazer's stock market value. The fall in the share price

was excessive by comparison to the small size of the provi-

sion but was indicative of the

way in which the shares catch

a cold every time Beazer

By the end of the week the shares had recovered to 161p.

Mr Matthew Thorne, Beazer's investment director,

accepts that the group has incurred a high debt and low

stock market rating since its controversial \$1.8bn takeover in 1988 of Koppers, the US

aggregates company.
Since March 1988, when the

Koppers bid was announced.

Beazer shares have underper-formed the FT construction

and contracting index by more

than 20 per cent. As a result

the share price is currently on a low rating of just 6 times

historic earnings. This com-pares with a sector average of

Reservations about Beazer

The rapid pace at which the

group has grown from a small UK housebuilding company with a turnover of just £26m 10

years ago, to a large broadly based construction group with sales of £1.97bm in the year to

• The large amounts of

Beazer paper which was used

are due to:

announces a setback.

to finance many of the acquisi-tions in the mid-1980s. In the

five years from 1983 the num-ber of shares in issue rose from 12m to approaching 300m. Doubts about the capacity of Beazer's management to ran its new acquisitions. There have been problems at Gifford Hill, the US cement and concrete group, and French Keir, the UK contractor bought in

 The large rise in Beazer's horrowings, to more than £1bn. This is due to the Koppers deal which initially used off-balance sheet financing Beazer's high valuation of

Koppers' reserves of sand, gravel and stone, disputed by some analysts. A lower valuation would increase Beazer's gearing - currently calculated by the company to be just under 100 per cent. • The exposure of the group to a declining UK housing mar-ket. It is estimated that in the last year just over half of group operating profits came

from this source. Nervousness about very large provisions that have been

chairman: Is 70

made to cover possible environmental claims against the chemicals businesses once part. of Koppers. Beazer's earnings per share

What makes Beazer's image less than dandy

have grown at an average rate of 20 per cent a year over the past decade.

The speed at which Beazer has grown, however, has made it very difficult to gauge whether the group possesses the depth of management resources to run all the businesses it has acquired.

Assessments of how purchases are performing under Beazer management are diffi-cult to make as operations have been rationalised and

For example Koppers has undergone several changes since Beazer launched its bid. Its chemical businesses have been sold for \$673m. Koppers' status has changed from an associate to a full Beazer sub-sidiary after the British group acquired the interests of its financial backers, Shearson Lehman and National Westminster Investment Bank.

Analysis has not been made

any easier by Beazer's policy of any easier by Heazer's poncy of lumping together earnings from its UK and US housing and property divisions when announcing profit figures. Mr Thorne says the group divides its businesses logically, provid-ing both a geographic and tradited solid

product split.
"If asked, we will try to provide additional information so analysts can work out for themselves how separate areas of the business have performed," says Mr Thorne.

"I can sympathise with the difficulty people have had in trying to track a fast-moving situation, like Koppers. I also appreciate that difficulty cretes uncertainty, that uncertainty creates doubt and that where is there doubt, criticism often follows."

He asserts that the group's position would be much worse if it did not have earnings from Koppers to offset the impact of the sharp fall in UK house

Analysis have forecast that Beazer's profits for 1989-90 will fall to between £100m and

Andrew Taylor examines the City's misgivings about the UK construction group Even its critics will admit that Beazer appears to have paid a relatively modest price for Koppers, taking into account the proceeds from the sale of non-core businesses.
The exit p/e for the Koppers aggregates business has been reduced, following the sale of the chemicals operations, to about 10. This compares to a figure of about 15 for recent acquisitions of US aggregate interests by other UK compa-

The recent sale by Hanson of ARC's US aggregates business appeared to support Beazer's assertion that Koppers' reserves of more than 6bn tonnes of sand, stone and gravel were worth about 40 cents a tonne - justifying, Beazer says, the high value placed on the business in the company's books.

Critics however insist that the purchase is not worth the mountain of debt that Beazer has saddled itself with - particularly in the middle of a UK

housing recession.
Investors, as was shown by
the brief mid-week run on the
group's shares, remain ner-

City analysts say Beazer should put its innovative financing schemes behind it and should seek to generate steady earnings growth based on con-solidating its existing businesses rather than pursuing spectacular and possibly risky

acquisitions. The group however will find difficult to show its paces in a year which is going to be hard for all UK construction companies. It has yet to be proved whether Koppers will be a blessing or a curse in this

Kleen-e-ze incurs £2.88m loss

By Clay Harris, Consumer Industries Editor

Kieen-e-ze

reorganised, and the Sundt-Semar packaging division lost £1.1m before tax because of delays in developing automated production and prob-lems in fulfilling one order. At the group level, the £2.88m loss followed pre-tax profits of £1.81m in the 17 months to September 2 1988 and came on turnover of £46.05m (£49.86m). The loss per share was 39.46p (30.76p earn-

the attributante loss of £2.69m will be largely offset by the revaluation of two proper-ties which increased their car-ried value by £2.2m. Independent consultants have assigned an "existing use

value" of £5m to the brand names Kleen-e-ze and Superseal but this figure is not included in the balance sheet. Mr Ned Cook, the US investrader who bought control of Kleen-e-ze in 1987 and still owns 45 per cent of its shares,

US parent plans sale of stake in Triton Europe

the end of June 1989.

TRITON EUROPE, the exploration company, revealed that Triton Energy Corporation of the US was considering selling its 59.47 per cent stake in the company.

The company said that Tri-ton Energy had "engaged Credit Suisse First Boston to explore strategic alternatives,

of its interest". It added: "Triton Energy stressed that no assurance can be given that a transaction will result from this engagement."

Mr Herbert Brewer, chair-

man of Triton Europe, was appointed to the board of Tri-ton Energy in November. Triton Europe made net profits of £1.63m in 1989, down from £3.56m, and blamed the fall on lower crude oil prices together with their effect on the devel-

opment programme. JO Hambro Magan has been engaged by Triton Europe to advise the independent direc-

Merrett advances to £10m

By Patrick Cockburn

TWO LLOYD'S underwriting agencies reported strong increases in pre-tax profits yes terday but both were cautious about prospects following the series of recent disasters.

Merrett Holdings, the shares of which are traded on a matched bargain basis, amounced pre-tax profits more than doubled at £9.87m for the year ended September 30, against £4.42m. The result reflected high insurance premi-ums and limited losses in 1986 which, under the Lloyd's system of three year accounting,

has just been announced. simistic about prospects of an insurance premiums.

Merrett also expressed concern about the possible col-lapse of the hitherto profitable London excess of loss market (LMX) where reinsurers reinsure themselves. It had been hit by a series of major catastrophes since the destruction of the Piper Alpha platform in the North Sea in 1988. Two Merrett syndicates, 1135 and 421, pulled out of the LMX

market last year. Earnings per share increased from 12.76p to 27.57p and the group announced an increased dividend of 8.25p (3.5p). London Wall Holdings,

another traded on a matched

increasing from £0.78m to £3.30m in the period to September 30. Helped by the acquisition of four members agencies and a minority investment in a exceeded earlier expectations. The results for the 1987 Lloyd's accounting year are expected to be profitable. London Wall is less optimistic about the prospects for 1988 and 1989 because of the series

effect of the disasters on premium rates. Earnings per share increased to 23.69p (7.9p) and total divi-dend has been raised to 8p per

of disasters, but not as pessi-mistic as Merrett about the



James Sherwood, ebullient president of Sea Containers, is to follow up his stout defence of the ferry and container group by taking on another challenge. He confirmed yesterday that the group's first wave-piercing catamaran, launched in Tasmania last weekend, will challenge for the Blue Riband transatiantic speed record in early May. Unlike Mr Richard Branson and Mr Tom Gentry's recent powerboat attempts, the catamaran will be eligible for the Hales Trophy, which is open to passenger ships and is still held by the SS United States' 82-hour crossing more than 30 years ago. Successful or not, the car-carrying catamaran, the Christopher Columbus, will return to the UK to ply the more mundaue Portsmouth-Cherbourg route, one of the services to be retained by Sea Containers,

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Heavy defence costs well justified Andrew Hill charts the Sea Containers saga as it nears its end

ERHAPS the only tidy aspect of the tangled takeover of Sea Contain-ers is that the struggle looks like coming to an end on March 15, almost exactly 12 months after the Swedish shipping group Stena revealed it had bought an 8 per cent stake in the ferry and container com-

It was that stake-building, It was that stake-building, and Sea Containers' reluctance to do an agreed deal, which eventually precipitated last May's hostile bid from Stena and its UK partner Tiphook, a container rental group. After nine months of bitter legal and financial wrangling, the offer has now, in effect, reached a full-stop: late on Thursday Sea Containers announced that Stena and Tiphook had agreed not to buy any more shares in not to buy any more shares in the ferry and container group for at least 10 years.

At the same time, the group's board recommended shareholders to approve the \$1.1bn programme of asset sales put to them just over a fortnight ago by Stena and Tiphook and backed – to the surprise of most observers -

Containers' founder, president, and driving force. The meeting to approve the deal will take place in Bermuda, where Sea Containers is registered, on March 15. Shareholders should also get the chance to approve Sea Containers' long awaited 1988 accounts — a mere 15 months after the financial year The terms of the deal have

The terms of the deal have altered slightly. Stena, which operates a cruise-style ferry service in the Baltic, will buy most of Sea Containers' Sealink ferry operations for about \$570m. That includes the assumption of \$60m of debt and some \$30m or \$40m of invento-ries, working capital and first half losses. The Securities and Exchange Commission in New York has forbidden Stena from handing over its Sea Containers stake to the target company; instead, the 838,000 shares will be retained and could be sold "in an orderly

manner".

Tiphook is paying just under \$330m for Sea Containers' dry cargo containers, truck toiler chassis and its tank container leasing, forwarding and manu-facturing business.

A bid which has already swelled the wallets of a host of corporate lawyers on both sides of the Atlantic could hardly be expected to end with a simple – and cheap – hand-shake. The last fortnight's negotiations have been almost as complicated as the previous eight months of legal battles.

According to Mr Sherwood, even the list of documents which had to be disclosed was 178 pages long, and he esti-mates the total cost of defending Sea Containers over the last 36 weeks at between \$40m and \$50m. But having forced the Anglo-Swedish offer up from \$824m for the whole group, to \$1.1bm for part of it, he thinks the money was well-

spent.
"I have argued for a very long time that this company has a value of between \$2bn and \$2.5bn on a debt-free basis. That's why we've put up such resistance, and in the end Tiphook and Stena were con-vinced," he said yesterday. Even at this stage, Sea Con-tainers' shareholders do not

quite know what they will receive as a reward for their

patience. The group's board will meet again next Wednes-day to decide the details of the recapitalisation, and the size of the cash distribution to stockholders which will follow the asset disposals. Mr Sherwood, as always, is confident that he can achieve his original goal, and realise at least \$70 per share for investors. That will be made up of a cash dividend and a stake in the on-going histores. business - a quarter of Sea Containers' original ferry and ports interests and half the marine container leasing and manufacturing operation.
On Wednesday Mr Sherwood
will meet face-to-face with the
management of Stena and

Tiphook for the first time since the bid was launched. Given that all sides believe they have achieved a satisfactory outcome the meeting could provide the opportunity for an archives. exchange of compliments which would have seemed impossible three weeks ago. Mr Dan Sten Olsson, Stena's chief executive, began the reconciliation yesterday; "Mr Sherwood's a very good deal-maker — he's very talented in that respect." he admitted.

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Lewinsohn claims three Dominion directors knew of private detective work MR MAX Lewinsohn said yesterday that three other directors of Dominion International Group knew that the company had, engaged private detectives to investigate two dissident board members. The former chairman of the financial services and property company claimed the three men had all met detectives who

were investigating the backgrounds and business interests of Mr Rupert Galliers-Pratt and Mr Nigel Cayzer.

At the time, Mr Galliers-Pratt and Mr Cayzer were challenging Mr Lewinsolin for control of Dominion, but all three left

the board before its eventual collapse with debts exceeding £100m. Dominion has confirmed that the investigation cost the company more than £100.000.

Mr Lewinsohn indicated that the probe request, he met a representative of the extanded over a six-month period, twice as firm once and knew that detective work

long as previously thought.
"When Dominion discovered the Galliers-Pratts, who were members of the board, were visiting institutions and shareholders, of course we took decisive action to research their business background as an indication of their intentions," Mr Lewinsohn said.

"The information discovered was extremely useful and proved valuable to Dominion

Mr Keith Lawrence, the only director named by Mr Lewinsohn who is still on the Dominion board, said yesterday that he learned of the investigation only after it was in progress. At Mr Lewinsohn's

was involved. He said he did not know of its precise nature, however.

Mr Anthony Richards joined the board in January 1989, more than a month after the detectives had been engaged. He con-firmed he learned an investigation was going on.

Mr Richards resigned from Dominion at

the end of last year.

discuss anything about Dominion. He resigned on August 30 last year, three weeks after Mr Lewinsohn quit. It has been confirmed separately that Mr Lewinsohn told Lord Barnett, deputy chairman and then chairman during the

Mr John Bishop said he did not wish to

period in question, about the investigation element of goodwill. This would have been after it was over.

Mr John Clarke, another non-executive director, said yesterday that although Mr Lewinsohn may have mentioned to him that he was making inquiries into the background of Mr Cayzer and Mr Galliers-Pratt, he had no knowledge of the nature and extent of the investigation until he was advised by Mr Carl Openshaw, who was appointed Dominion's managing director last July.

The circumstances of Dominion's decision in 1989 to sell Film Finances, only a year after its purchase, are also becoming more clear. Dominion knew from the start that the acquisition of Film Finances would require the writing off of a large

exacerbated by higher losses than had been provided for on the film The Adventures of Baron Munchausen.

Dominion hoped, however, to offset this before the year-end by disposing of Spanish land, or if necessary, by raising equity through a rights issue.

When this proved impossible, Dominion decided to sell Film Finances for cash, even though its trading remained profit-able. That allowed Dominion to leave the subsidiary unconsolidated, showing it as an asset held for disposal in the 1988-89

It also agreed to buy York Associates, a US mortgage services company, for shares and a deferred cash element.

Both deals were dropped when Mr Galliers-Pratt, Mr Cayzer, Mr Roy Richardson. Mr Don Richardson and supporting shareholders, together speaking for about 25 per cent of Dominion's equity, said they would vote against it.

Mr Lewinsohn and several other ex-directors say this decision caused the collapse of Dominion. Not only did the company not get the needed cash injection. Dominion was also obliged to write off £3.4m in advance corporation tax. Mr Openshaw and other ex-directors deny that the abortion of the two deals was instrumental in determining Dominion's

Clay Harris

Colonnade plans to liquidate in face of Stratagem offer

COLONNADE Development obtained. Capital, a small investment company which is the target of a hostile cash bid of 163p a share, yesterday said it planned to liquidate as soon realise at least 200p per ordi-

onnade, which rejected the offer as inadequate.

Colonnade shares closed to d 16p higher at 185p, Stratagem ings was unchanged at 185p. In December Stratagem led shareholder opposition which blocked a plan by Colonnade to reorganise its management and purchase British & Com-monwealth Holdings' develop-ment capital arm, Colon-

nade's investment manager. Stratagem gained the support of institutions, including Legal & General, when it objected to Colonnade's proposals and they were with-drawn. At that time, Stratagem made a conditional offer of 142p per share for Colon-nade in order to affect a liqui-

Mr Roger Morton, a director of Colonnade, said yesterday that the board's proposals for the company would be pub-lished early next week. They would include a substantial interim payment by way of a reduction of capital which would be paid as soon as the necessary court approval was owns 5.8 per cent.

The company would be liquidated as soon as practical

Mr Bernard Kerrison, chairman of Stratagem, said yesteras possible and expected to day that the proposed capital realise at least 200p per ordined reduction would be worth a nary share.

Stratagem Group, an investment company, last week made its £8.24m offer for Colombae that it told by Colonnade that it could take 12-18 months for it to dispose of its equity hold-

that following the disposal of a £1.55m stake in TIP Europe, its portfolio contained cash, cash receivables and quoted government securities with a total value of £7.1m.

Colonnade also said it held equity investments in Imtec Group, which makes drawing office equipment; Sherwood furniture maker; Reedpack, a paper company; and Pelham Communications, a marketing services group.

Mr Kerrison said he thought the Colonnade portfo-

ho contained massive risks as to timing and marketability. Colonnade now had a 16.5 per cent stake in Imtec, but nearly half of the company's shares were owned by two other B&C funds - B&C Ven-tures investments, which owns 43 per cent, and B&C Development Capital, which

thereafter.

Colonnade said this week

A long engagement with no immediate sign of consummation

Raymond Snoddy and Laura Raun examine the relationship between Pearson and Elsevier

HE ALLIANCE between Pearson, the publishing, banking and industrial group, with Elsevier, the third largest publisher in the Netherlands, is turning into a long engagement with no immediate signs of a consummation. When the strategic relationship was first announced on September 14 1988 romantic

language was in the air.
Lord Blakenham, chairman
of Pearson, described the deal as "an engagement." Mr Pierre Vinken, chairman of Elsevier, added: "We want to get married as soon as possi-ble."

The two companies set themselves a generous time frame of seven years for any move towards a total merger. But nearly 18 months after the happy couple plighted their troth it is very difficult to see many concrete signs of prog-ress towards closer union which they said at the time would be through successful collaborative ventures. Elsevier's quality newspaper, NBC Handelsblad, reported

this week that any merger between the two companies was now off, mainly, it was suggested, because of Dutch sensitivity over the company ever losing its identity. In response, Mr Vinken said

of the story that he never commented on rumours while Mr Frank Barlow, the recently appointed chief operating officer of Pearson, said the posi-tion was "the same as before. We know what the problem are. It can't be early but neither is it [a merger] off."

Lord Blakenham, who is also chief executive of Pearson, insists that "the general relationship [with Elsevier] is extremely good."

The Pearson chairman,

speaking in his office on the 17th floor of London's Millbank Tower, added: "There are no secrets between us and we regard Elsevier as our European partners looking towards 1992 and beyond. When we went into the relationship we regarded it as a long term partnership and we still do.



Lord Blakenham (left), chairman of Pearson, and Pierre Vinken,

his counterpart at Elsevier always been made very clear

from the beginning that it might or might not lead to a "Nothing is happening rap-

idly. I don't see a complete merger in the immediate future," the Pearson chairman

Ironically, one large barrier standing in the way of a

merger has been Elsevier's .financial success since the two partners first disclosed their relationship. Pearson's 22.4 per cent stake

in Elsevier is now worth 50 per cent more than some 18 months ago and at the same time the Dutch guilder has appreciated against the pound The combined effect would

make any merger very expensive for Pearson even if both parties were willing. Elsevier has taken its stake in Pearson Lord Blakenham declares

himself very happy with his investment and adds that the second achievement of the alli-ance has been the close working relationship he has estab-lished with Mr Vinken.

"I am sure there are things we can develop between us but I'm not going to be tied down to a particular time frame," Lord Blakenham insists.

Only one modest joint ven-ture has been established so far - a financial news telephone service in the Nether-lands in association with the Amsterdam Stock Exchange." Mr Barlow said that plans for a joint Dutch financial weekly due to be launched this

spring were "still being researched." Proposals were, however, being considered to link the specialist medical publications of both Pearson and Elsevier on a worldwide basis. The intention is to create two the other by sponsorship.

Although no-one at either company will discuss details there are also suggestions that the two companies could collaborate on major publishing

acquisitions.
When asked yesterday about the state of the relationship between the partners Mr Vin-ken, once a brain surgeon before turning to medical publishing, said: "I don't speak to newspapers voluntarily

Mr Vinken said he "blindly" agreed with whatever Lord Blakenham said about the alli-"We have become each

other's family; we have no secrets; we see each other's plans," he emphasised. Elsevier was, however, pre-

pared to deny yesterday that there was any truth in market speculation that it was preparing a bid or merger talks with Wolters Kluwer, a fellow Dutch publisher in which it has a

Some securities analysts believe that the original Pearson-Elsevier deal was partly medical publishing divisions:

motivated by a desire to fend off unwelcome attentions from potential predators

Queens Moat promises higher Norfolk dividends

QUEENS MOAT Houses yesterday promised shareholders in Norfolk Capital Group, the rival hotel company, the opportunity of an immediate uplift in capital value, and a significant increase in dividend income if they accepted its all-share bid, writes Andrew Hill. Mr John Bairstow, Queens Moat's chairman and managing director, said in a letter to

panying yesterday's formal offer document, that acceptance of the offer would lead to an increase of more than 42 per cent in dividend income.
"The board of Queens Most believes that a change of management is necessary if Nor-

folk Capital's assets are to be managed more effectively and profitably," he said. Queens Moat announced its hostile offer last week, taking

advantage of the uncertainty fostered by an attempted management coup at Norfolk. At a special meeting on Monday shareholders voted against the management takeover, planned by Balmoral International, a private company, which owns 13 per cent of Norfolk.

The group's five-person board was split over the Balmoral plans, with two non-executive directors wanting to

oust Mr Peter Eyles, the man aging director. However after Monday's egm two more executive directors were appointed to the Norfolk board, strengthening support for Mr Evles. The Queens Moat offer two shares for every five held is worth 41p a share, against yesterday's Norfolk share price of 42%p, down 1p. Queens Moat already owns about 4.45 per cent of Norfolk's equity.

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ECONOMIC DIARY **TODAY:** Campaigning begins

in Japanese general elections. TOMORROW: Presidential

elections in Costa Rica. MONDAY: Housing starts and completions (December). Retail sales (December-final). Credit business (December). US productivity and costs (fourth quarter). European Community general affairs council meets in Brussels. Soviet Communist Party central committee meets in ple-nary session to discuss Lithuania and the autumn party congress. Mr Ronald Li, Hong Kong Stock Exchange chair-

ner at Guildhall. TUESDAY: Mr Douglas Hurd, Foreign Secretary, visits Bonn for talks with Mr Helmut Kohl, West German Chancellor, Mr George Bush, US President, travels to California and Nebraska (until February 8). Start of UN-sponsored conference on disarmament with particular emphasis on chemi-cal weapons, Geneva.

man, on trial in Hong Kong. Overseas Bankers' Club din-

WEDNESDAY: Overseas travel and tourism (November). Advance - energy statistics (December). Details of employment, unemployment, earnings, prices and other indicators. Family expenditure survey 1988. Likud Party central committee meets on Prime Minister Shamir's confidence motion. Soviet parliamentary delegation on visit to London.

THURSDAY: Financing of the CGBR (fourth quarter). UK banking sector statistics (fourth quarter). Money stock (fourth quarter). The Economist holds conference "Managing services: the key to total customer satisfaction" at Marriott Hotel, London. Argentine and British officials hold further talks in Madrid almed at restoring diplomatic relations (until February 9).

FRIDAY: Capital issues and redemptions (January). US producer price index (January). Arab League ambassadors meet on Eastern Europe in Tunis. East German liberal democrats, junior partner in governing coalition, hold congress in Dresden (also February 10). Labour local government conference in Cardiff (until November 11).

LONDON TRADED OPTIONS

Norfolk shareholders, accom-

Madest find a direct session yes contest on their books.

Lenday as the stock quarket, lane. The FT-SE 100 index option was the latest US employment figures sent the Latest US employment figures sent the London market higher, though dealers said this did not spur much additional equity business. The cash market's refuc-

tance for much of the day to give
a stronger lead left derivatives
traders with little to do.

Total turnover in the options market stood at 25.637 contracts 10,859 were puts. Yesterday's total compared with 38,708 on Thursday and is one of the lowest so far this year. Traders said the lack of business had made it diffi-

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guished for most of the day in a the busiest of all contracts. How-narrow range. An early raily on ever, at 3,668 lots, turnover was one half of the previous day's total, reflecting the lack of interest in the equity market. Dealers said the cash market's recent modest recovery from the losses posted earfier in the year had not spurred additional investor interest in the options market. Instead. dealings tended to be smaller in size, although some speculative trading in out-of-the-money options did take place.

But in spite of the recent slower pace of business, the number of contracts outstanding at the close of business on Thursday did increase, reflecting a commitment

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THE LONDON. Traded Options cuft to execute some of the larger. by investors to stay in the options market. Total market open intercontracts, compared with 749,740 on Wednesday. In the FT-SE con-110,100 from 107,796. Interest was provided by a lim-ited number of stock options, of

which Blue Circle was the most active. It traded 1,607 contracts, of which 803 were calls and 804 Turnover in the stock was boosted by an 800 lot order exe-cuted by Hoare Govett. The transaction involved the purchase of the September 240 calls at 24p and the sale of the September 240 puts at 18p. The underlying stock traded 2m shares and closed

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FT-ACTUARIES SHARE INDICES These indices are the joint compilation of the Financial Times, the institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	\$ I	riday	Febr	uary 2	2 199	10	Thu. Feb I	Wed Jan 3I	Tite Jan 30	Year ago (approx			Highs and	Lows Index	•
& SUB-SECTION: Figures in parentheses sho number of stocks per secti	w ladex	Day's Change	Est. Earning Yield% (Max.)	Gross Div. Yield% (Act. at (25%)	Est. P/E Ratio (Het)	xd adi. 1990 to date	index No.	index No.	Index No.	index No.		198 igh	19/90 Low		ince ilation Low
I CAPITAL GOODS (203) 2 Building Materials (27	1099.93	-0.1	12.70 14.32	5.14	9.59 8.71		1190.94	1995.13		1144.89	1012.97 1287.14	19/5 /89	939.86 3 /1 /89	1038.87 16/7 /87 1381.88 16/7 /87	44.27 11/12/74
3 Contracting, Construction (36					8.81			1511.08				14/3 /89		1951.50 16/7 /87	
4 Electricals (10)					12.14			2586.74			3049.80	8 /9 /85	2294.36 3 /1 /89	3048.80 8 /9 /89	84.71 25/6 /62
5 Electronics (30)			9.29		13.93 9.17			1935.08 454.39	453.66					2308.22 19/5 /89	
6 Engineering-Aerospact (13.39 11.74		10.28	0.84 6.34						4 /1 /99 4 /1 /90	450.72 25/1 /98 475.71 38/1 /90		
7 Engineering-General (45) 8 Metals and Metal Forming (6			25.12		4.49	6.00				526.18		19/5 /89	439.27 27/18/89		
9 Motors (16)			14.82		8.37	9.60		381.03		389.74		4 /1 /98	258.24 3 /1 /89	411.42 13/10/87	
10 Other industrial Materials (2)	1676.40		18.43		11.12			1686.46						1881_53 18/8 /89	
.21 CONSUMER GROUP (177).			8.82		24,27			1288.96						1417.92 4 /9 /89	61.41 13/12/74
22 Brewers and Distillers (22)			9.31	3.49	13.26			1509.91						1583.71 5 /9 /89	69.47 13/12/74
25 Food Manufacturing (19)			9.45	3.90	13.17	1.70	1153,46	1125.91	1124.16	1056.9B	1220.42	4 /9 /89	926.04 3 /1 /89	1220A2 4 /9 /89	59.67 11/12/74
26 Food Retailing (16)	2320.69	-0.2	8.74		14.84			2314.04			2722.30	5 /9 /89	1784.64 3 /1 /89	2722.30 5 /9 /89	54.25 11/12/74
27 Health and Household (L'			6.29		18.93			2503.30						2795.49 4 /1 /90	175.38 28/5 /88
29 Leisure (33)			8.28	3.64	14.88			1626,48						1845.77 8 /9 /89	54.83 9 11 175
31 Packaging & Paper (13			12.99	5.33	10.44	0.90		578.77				4 19 189	512.34 16/10/89		
32 Publishing & Printing (17)			8.97	4.91	14.24				3562.30	3827.77				5070.46 5 /10/87	
34 Stores (31)			11.65		11.77			781.15		798.78		4 19 189		1160.58 29/7 /87	
35 Textiles (13)			31.24	5.83	10.79			516.29		539.66		21/9 /89	464.71 3 /1 /89	914.52 2 /10/87	62.66 11/12/74
40 OTHER GROUPS (103).	-11162.00	+8.9	10.76		11.14			1526.98			1233.52			1233.52 3 /1 /90	58.63 6 /1 /75
41 Agencies (16)	1207.01	+0.9	12.62	2.17 5.36	18.34 9.34			1298.44						1795.57 17/7 87 1545.46 5 /10/87	878.35 4 /12/87 71.29 1 /12/74
43 Conglomerates (13)	1624.81	+8.6	11.06	6.83	10.62									1819.46 11/8 /89	975.19 10/11/87
44 Transport (13)			18,44	4.15	12.20									2554.69 12/7 /89	90.80 29/6 /62
46 Telephone Networks(2)	1258 64	+1.2	10.89	4.47	12.89			1233.93					1002.43 3 /1 /89		517.92 30/11/84
47 Water(10)	2025.02	+0.2	17.21	6.69	6.44			2021.59						2025.02 2 /2 /90	1951.04 16/1 /90
48 Miscelianeous (27)			9.29	4.30	12.13			1869.11						2887.06 11/7 /89	60.39 6 /7 /75
49 INDUSTRIAL GROUP (483)			18.38	4.28	11.78	1.37	1166.36	1164.67	1162.33		1273.71			1273.71 5 /9 /89	59.61 13/12/74
51 Oil & Gas (17)			8.77	4.64	15.07	_	_	2423.95		_				2475.71 2 /1 /90	87.23 29/5 /62
			10.15		12.17			1269.38							
59 500 SHARE INDEX (500)			1672		1611									1369.88 16/7 /87	63,49 13/12/74
61 FINANCIAL GROUP CLI4			1	4.96	7 0-	8.35		849.83		761.50		3 /1 /98	679.86 3 /1 /89	896.67 13/10/87	55,88 13/12/74
62 Banks (9)			18,65	5.47	7.85	6.80 0.88		899.70 1438.74		756.11	1484.67	2 /2 /98	657.74 3 /1 /89		62.44 12/12/74
65 Insurance (Life) (7) 66 Insurance (Composite) (7)			<u> </u>	4.63 5.27	_ [0.08		718.43		484 61		29/12/89	528.72 3 /1 /89	1484.67 3 /1 /90 768.11 29/12/89	44.88 2 1 75 43.96 13/12/74
67 Insurance (Brokers) (6)			6.50	5.55	20.48	0.00		1152.42			1194.74				65.86 16/12/74
68 Merchant Banks (8),			1 -	3.67		0.00	481.53		478.84			2 /1 /90	318.05 3 /1 /39		31,21 7 /1 /75
69 Property (49)			7,69	3.62	16.44			1183.28			1398.87			1398.87 5 /9 /89	56.01 20/4 /65
70 Other Financial (28)	. 334.76	+1.1	12.59	6.39	10.42	1.44	331.13		333.92			8 /2 /89		603.48 16/7 /87	33,29 17/12/74
71 Investment Trusts (68)				2.96	_		1235.61				1323.81			1323.81 4 /1 /90	71,12 13/12/74
91 Overseas Traders (5)	1437.99	+2.2	18,59	6.36	11.11	30.79	1406.35	1414.49	1421.33	1372.54	1614.D4	3 /1 /90	1255.90 17/10/89	1614.04 3 /1 /90	97.37 6 /1 /75
99 ALL-SHARE INDEX (687	1174 00	18.4		4.40	-						1226.83			1238.57 16/7 /87	61.92 13/12/74
7 THE CONTRACT UNDER 1007	+							_	_	ļ—,		- (- , -			
ı	Index	Day's	Day's	Day's	Feb	Jaa	Jan '	Jap	Jan	Year					į.
	Ho.		High (a)		1_	31_	30	29_	26	ago					
FT-SE 180 SHARE INDEX	1 2355.1	1 +9.3	12356,2	12342.3	Z345.8	2337.3.	232Z.B	2326.8	2314.5	Z#69.9	2463.7	3 /1 /198	1445 8 /2 /88	1 2463.7 3 /1 /90 1	946.9 23/7 /84

	FIXED INTEREST AVERAGE GROSS REDEMPTION YIELDS									Fri Feb	Thu Feb	Year ago	1989/90			
							l _	WEDGALL STAN STEED		2		(approx.)	Kigh	Low		
	PRICE INDICES	Fri Feb 2	Day's change %	Thu Feb 1	xd adj. today	xd adj. 1990 to date	1 2 2	Coupons 25 years	L	10.26	10.62 20.24 10.12	9.03 8.84 8.78	10.86 24/1 /90 10.38 24/1 /90 10.23 24/1 /90	8.77 9 /2 /89		
1 2 3 4 5	5-15 years Over 15 years Irredeemables		-0.05 -0.17 -0.10 -0.04	215.45 125.22 134.36 151.83 124.55 141.88 138.37		1.33 1.31 0.33 0.00 1.22 0.00 0.47	8 9 10	Medium 5 years Coupons 15 years 25 years High 5 years Coupons 15 years 25 years Irredeemables Inflation rate 5% Up Inflation rate 5% O		11.71 10.64 10.26 11.84 10.85 10.41 10.18 4.01 3.78	10.12 11.61 10.61 10.23 11.81 10.83 10.39 10.16	19.03 9.27 8.93 10.20 9.47 9.98 8.79 3.51 3.57 2.67	11.98 24/1 /90 10.70 18/1 /93 10.29 24/1 /90 12.11 24/1 /90 10.88 18/1 /90 10.41 2 /2 /90 10.26 18/1 /90 4.24 24/1 /90 3.845 /6 /89 3.35 18/1 /90	9.96 8 /2 /89 9.21 8 /2 /89 8.85 17/2 /89 10.13 8 /2 /89 9.41 8 /2 /89 8.99 27/1 /89 8.68 15/3 /89 2.75 21/8 /89 3.41 21/8 /89		
9	All stocks	137.99 102.73	-0.38	138.52 102.73	<u>-</u>	0.44 0.35	15	inflation rate 10% On Debs & 5 Louis 15	er 5 yrs rears rears rears	3.61 13.30 12.68 12.67	3.58 13.30 12.68 12.67	3.41 11.65 11.20 10.80	3.67 5 6 89 13.82 3 11/89 12.71 29/1 90 12.70 29/1 90	3.23 21/8 /89 11.47 30/12/88 11.19 1 /2 /89		
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By Chris Sherwell in Sydney

MR Alan Bond, the Perth businessman battling for cor-porate survival, was dealt another wounding body-blow yesterday when Bell Resources, one of his empire's subsidiaries, filed a clutch of petitions to wind up the flagship, Bond Corporation, another subsidiary, Bond Media, and two private family

The action came in the form of five separate petitions lodged with the Western Ausralian Supreme Court. Bell Resources — which since December has operated under a new and more independent board — alleged that payments had fallen due and that the named Roud companies were named Bond companies were

insolvent and unable to pay.
The largest amount involved was A\$24.16m (US\$18.60m), which Bell said was due from Bond Corporation on January 8. The other amounts, trivial by comparison, were said to be due from Bond Corporation, Bond Media, Dallhold Invest-ments and Dallhold Nickel

Bell Resources' actions are potentially the most lethal to be launched against Mr Bond's companies since December 29, when a bank syndicate led by the National Australia Bank (NAB) won the appointment of receivers to Bond Brewing Holdings, Bond Corporation's

brewing subsidiary.
In relation to the A\$24m payment, Bond Corporation said yesterday that it was "of the view" that Bell Resources had previously agreed to a deferral

Fokker sells 50%

FOKKER, the Dutch aerospace company, is selling 50 per cent of an aircraft leasing subsid-

lary to a consortium compris-ing Rolls-Royce and National

Westminster Bank of the UK,

Chrysler of the US and Mitsu-

bishi of Japan, writes Laura

The consortium, known as Rolls-Royce and Partners

Finance, is expected to strengthen the leasing, trading

and financing activities of AFT, Fokker's leasing subsid-

iary. The joint venture will

provide Fokker 50s and Fokker

100s as well as other aircraft, with custom-designed configu-

rations on request. Leasing

arrangements as well as finan-

exceeded AFT's book value, implying more than Fl 50m

Rolls-Royce, which provides

engines for the Fokker 100 air-

plane, owns 40 per cent of RRPF while NatWest, Chrysler

and Mitsubishi each own 20

value was about Fl 107m.

Fokker said the sales price

cing will be provided.

Raun in Amsterdam.

of leasing unit

a festering dispute over A\$1.2bn in cash which was shifted out of Bell Resources after Bond Corporation acquired control of the company in 1988. In moves which are now the

subject of an investigation by the regulatory authorities, Bond Corporation is believed to have used the sum to pay off bank debts before making it a "deposit" for a A\$3.5bn pur-chase by Bell Resources of Bond's brewery assets. This deal, first announced in

May last year, was not consum-mated, and has since undergone numerous changes, one of which involved an aborted A\$2.5bn joint venture with Lion Nathan of New Zealand. As prospects began dimming both for a brewery sale and for the Bond empire as a whole, recovery of some or all of the A\$1.2bn became an obsession for Mr John Spalvins, the entrepreneurial head of Ade-laide Steamship, which had built up a strategic 20 per cent

stake in Bell Resources.
In December, Adsteam threatened court action to have a receiver appointed to Bell Resources. In the process it won equal representation on the board with Bond executives plus an independent chairman. The new board has since revised the brewery plan twice, and it currently entails a A\$2bn purchase of just the Australian brewing assets.

By William Dawkins in Paris

CANAL+, Europe's first pay

television channel, yesterday

reported an 18 per cent rise in

revenues for 1989, its fifth year

of operation, but warned that

growth would slacken this

French homes connected to the

Canal+ network rose by

299,000 to nearly 2.9m. Another

105,000 subscribers have since

plugged into Canal+, so the channel has now reached the

limit, set by the company itself, of 3m subscribers for

This means it will be looking

abroad, to new ventures in Belgium, West Germany and Spain for the next phase of

ceiling to help negotiations about access to sports events

and broadcasting rights for

of France's four private televi-

Canal+, the most profitable

sion channels, is the only one

growth, said officials.

new feature films.

of the payment until the end of June. It declared that it would For Mr Bond, yesterday's developments clearly add a further series of complicated fight the petitions.

Behind the developments is

and expensive — legal battles to an already long list. In Sydney on Thursday a bank syndicate led by NAB demanded through the courts the repayment of a A\$385m facility from Bond Media. The company, 52 per cent owned by Bond Corporation and operator of the Channel Nine television network, challenged the

Mr Bond is also awaiting the outcome of his challenge to the December 29 appointment of receivers to Bond Brewing Holdings. That action is under way in the Victorian Supreme

Court in Melbourne. In legal actions in Perth, Mr Bond has successfully won injunctions preventing two separate groups of US noteholders pursuing a petition to wind up Bond Brewing and the Swan Brewery. It won outright a court action stopping the winding up of Bond Corpora-tion by the State Government Insurance Commission. • Compania de Telefonos de

Chile, which is majority owned by Mr Bond, is to float around 10 per cent of its shares on the New York Stock Exchange, the company said.
The New York flotation, the

first of its kind for a Latin American company, would raise around \$85m to \$90m

The company expects to file with the SEC this week and complete the flotation in the third week of April.

to broadcast films a year after

release, for which it pays a fee of 10 per cent of annual turn-over to cinema federations and

Revenues — mostly subscrip-

tion income - rose to FFr5.12bn (\$898m) from

FFr4.34bn in the year to last December, on which consoli-dated profits are estimated to

have risen by 19.5 per cent to FFr740m. Profits growth is expected to slacken this year

to 9 per cent, including the

first start-up costs of the new foreign ventures. Canal+ Bel-

gique started broadcasting last

subscribers. The Spanish chan-nel aims to start this spring, to

be followed by its German

Last year's underlying group

sales growth was 14.7 per cent

stripping out the first contribu-

tion from Antennes Tona. a

French producer of television

antennae and cables acquired for FFr500m last October.

m, 99.7% purity (\$ per ton

1443-8 1458-8

ptember and now has 15,000

distributors.

Revenue grows 18% at European pay TV group

The Israeli creditors have

arguing over similar formula tions before reaching stalemate on Thursday evening. The foreign banks then decided to seek a last-minute meeting with Mr Peres to seek

final formula with Mr Peres. The group, which had arrived in Israel saying they were not ready to accept write-offs, stressed they had given a lot of ground.

Creditors of Koor consider compromise

By Hugh Carnegy

THE FEUDING foreign and Israeli creditors of the near-bankrupt Koor Industries are this weekend considering a compromise resolution of the group's billion-dollar debts after three days of talks which ended in midnight meetings with Mr Shimon Peres, the Finance Minister.

Early yesterday, Mr Peres emerged from a session with the foreign banks, led by Manufacturers Hanover of New York, saying he believed a compromise had been reached. "I think we finished with the foreign banks," he said. However it quickly became clear that an important gap

remains between the two camps, which have also shown signs of internal differences. Meanwhile, the insolvency clock continues to tick for trade union-owned Koor, Israel's biggest industrial group, which has halted all payment of its debt dues since

payment of its debt dues since the beginning of the year.

The proposal hangs on a deal under which the foreign banks, owed \$205m by Koor, would write off 37.5 per cent of their dues, receive 42.5 per cent back in cash and reschedule the remaining 20 per cent over five years, with a "first out" priority over the local

The Israeli banks would write off close to \$200m of their \$700m exposure. and they and the Government would apparently make arrangements to cover US and Israeli bonds worth about

\$240m. Even if the Israeli banks accept this, a key sticking point is the foreign banks' insistence that all of their outstanding 20 per cent exposure

offered to secure three-quarters of the 20 per cent portion, but not more. The two sides spent hours

his intervention.

When they arrived at the minister's Tel Aviv office near midnight, they were confronted by Mr Benjamin Gaon, the Koor managing director, Mr Yossi Dauber, the Bank Happalim executive who leads the Israeli creditor's group and other senior Esraeli play-They hammered out the

1460/1430

Frankfurt. The German company said

Ring turnover 25.050 torine

Ring turnover 38,275 tonne

Australian grapeshot starts to fly

Chris Sherwell on a wine industry in ferment after rapid growth

sky is blue, the sunshine bright — and on vine-yards across the land, the grapes are ripening. Harvest time is under way. The 1990 vintage is just around the cor-

This year, it will come from an industry which is undergoing significant change. The past month alone has seen big developments involving the country's largest wine produc-

The most important was the acquisition by Penfolds Wines, the country's largest wine pro-ducer, of Lindemans, the fourth largest.

Lindemans' persistent losses and the Australian economic downturn were a worry to its parent, Philip Morris, the US tobacco group. So when Pen-folds, which is owned by the Adelaide Steamship group, offered in excess of A\$700m (US\$77m), it sold.

The result is a remarkable combination of brand names, production locations and mar-keting strengths. Penfolds produces wines under its own name, plus Wynn's, Seaview, Kaiser Stuhl and Tulloch. Now it has added Lindemans' range of wines, plus the Leo Buring and Matthew Lang names. Apart from increasing its domestic strength, Peniolds' acquisition enhances its

chances of becoming a signifi-cant world name. Lindemans' export efforts, especially in the US, will reinforce its own endeavours, which include the purchase last year of a 50 per cent stake in the Geyser Peak winery in California. A second key development in

the industry was the recent move by Orlando Wines, the country's second largest producer, to acquire control of Wyndham's Estate. Orlando, owned by Pernod Ricard of France, made a cash bid for Wyndham which valued the target at more than A\$70m. Orlando, based in South Australia and producer of the well-known Jacob's Creek wines, linked up with Pernod's last year. Previously its man-

nese wine market.
All these developments underscore two important trends in Australia's wine industry. One is its increasing concentration. Even before recent events, just 20 of the country's 550 wineries pro-duced around 90 per cent of agement bought control from Reckitt & Colman of the UK. Wyndham's is based in the Hunter Valley, and became a takeover target after its parent,

Grape growers face a glut as the boom in wine exports has ended

Quadrax Investments, ran into Australia's wines, and people difficulty.
In addition Hardy's, now the country's third largest wine-maker and still family-owned, referred to the big ones - Pen-folds, Lindemans and Orlando - as "the PLO."

The other is the industry's heightened foreign orientation, the result of a currency-driven maker and still family-owned, recently expanded its interests abroad by acquiring, for an undisclosed price, control of Italy's oldest family-run winery, Casa Vinicola Barne Picasoli, located in Chianti.

It was Hardy's sixth acquisition of a foreign-owned wine business since 1976, and followed the nurchase of two UKexpansion in exports which began with the 1985-86 plunge in the value of the Australian

Back in 1976, Australian wine exports were barely 5m litres. In 1986 lowed the purchase of two UK-based wine importers. The aim they stood at 10m litres. But in is to insulate its markets the year to June 1987 they soared above 20m and in 1988 they almost reached 40m litres. against any post-1992 restric-tions and increase its European distribution capability. boom helped winemakers Similarly, Mildara Wines of Victoria has recently strengthcounter the grip of a small group of buyers - wholesalers, ened its ties with Sanraku, the retailers and mail-order groups

Japanese wines and spirits group. Sanraku has a share-holding in Mildara of more than 10 per cent, giving Mil-dara a means of breaking into - who have long dominated the domestic market. It was also a boon for independent grape-growers, who saw the price of Chardonnay grapes, for example, soar from A\$600 a the potentially lucrative Japatonne in 1986 to A\$2,000 last

Unfortunately, the boom has not lasted, which is why a shake-out is under way. First, a strengthening dollar and the passing of a love-Australia fashion - has seen exports in the year to June 1989 hit a plateau of 41m litres, while in the current year they have actually been falling. A sustained period of high interest rates has put further strain on individual producers.

Then growers wrongly con-cinded that the export boom would go on for ever. It has not, and now they are faced with an oversupply of grapes. In addition, the long lead-times before their newly-planted vines become productive mean the glut is likely to continue.

Overlaying this is a complex change in consumer tastes: first, in the beverage market as a whole, where alcohol con-sumption is declining, second, among those drinking alcohol, where wine consumption peaked four years ago; and peaked four years agu; and finally among wine drinkers, where preferences have shifted away from boxed and towards bottled wine.

The bottled wine market is itself divided, between wines

bought on price and those bought on quality. The divid-ing line in Australia is about A\$5.99 (around £3) a bottle, which compares with equiva-lent levels in Britain of per-

haps £5 to £6.
Winemakers who wish to produce wine as a profitable business rather than a lossmaking hobby are having to decide whether to target the market for boxed (or cask) wines, cheap bottled wines or premium quality brand-name wines, and whether to tackle the export market.

Given the revived strength of the Australian retailers, most face a tough challenge at home building brand-names, and it will become tougher if the retailers decide to copy, for example, Marks and Spencer in the UK, by introducing their own brands. Abroad, the chal-lenge is still greater without a currency depreciation and excellent distribution net-

In short, winemakers are confronted with some compli-cated calculations. Groups like Penfolds, Hardy's, Orlando and others have clearly decided their recent strategic moves. Their aim is not just survival. but success. On the outcome hangs the chances of the Australian wine industry acquiring world stature.

W German sugar refiner plans rights issue

SUDZUCKER, West Germany's biggest sugar refiner, yester-day announced a DM373m (\$222m) rights issue just two months after agreeing to buy the sugar refining activities of Belgium's Raffinerie Tirlemon-

the proceeds of the issue would help pay for the Tirlemontoise purchase, the rest of which would come from cash flow. Südzucker, in which a co-oper-

US MARKETS

GOLD FUTURES ENDED a quiet

early local buying. Platinum fo

session unchanged to slightly lower after early firmness, reports Drexel Burnham Lambert. Silver saw some

pre weekend position squaring. Copper futures rose with short-covering. influenced in the main buy a firmer US Stock market and expectations of lower LME Stocks. The energy complex was quietly higher on short covering and

ative of sugar farmers owns 60 per cent of the voting stock and Deutsche Bank around 20 per cent, will issue preference shares at DM540 each on a one-for-four basis later this

DM900m to pay for the Tirle-montoise deal. It is buying 75 per cent of the Belgian com-pany from the family share-holders and has made an offer for the remaining shares which are widely held. It then intends to sell off 40 per cent of Tirle-montoise, probably to more than one investor in Europe. The German company, which claims a 40 per cent share of the German sugar market, had a DM103m rights unconnected with its Belgian expansion. Next to the Ferruzzi Group of Italy and Britain's Tate and Lyle, the new Ger-man-Belgian grouping will create a strong third presence in the European sugar industry.

Canadian pulp group reports 32% fall CANADIAN Pacific Forest CTRESESVOUNT

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WARENCIES

Products, the pulp and paper arm of Canadian Pacific, says 1989 earnings were down 32 per cent because of soft markets for most products and the strength of the Canadian dol-Montreal.

The only really strong sector was market pulp. Net profit for 1989 was C\$220.1m or \$5.01 a share, down from \$323.4m or \$7.36 a share in 1988. Sales were \$2.9bn against \$3bn.

WORLD COMMODITIES PRICES

(Prices supplied by Amalgamated Metal Trading)

AM Official Kerb close Open interes

1455-7

WEEKLY PRICE CHANGES	Latest prices	Change on week		High 1989/90	Low 1989/90
Gold per troy oz.	\$417.75	+1.50	\$388.75		\$356.5
Silver Per troy oz	315.90p	-1	332.90p	376.15p	313.90p
Aluminium 99.7% (cash)	\$1444.5	-14.5	\$2177.5		\$1394.5
Copper Grade A (cash)	£1364.5	+4.5	£1802.5		£1301
Lead(cash)	£430	+12	£367	£487.5	£337
Nickel (cash)	\$6612.5	+212.5	\$18400		\$5887.5
Zinc (cash)	\$1356	+91	\$1805	\$2107.5	\$1265
Tin (cash)	\$6245	-350	£4420	\$10760	\$6240
Cocoa Futures (May)	£633	-16	£851	£947	£823
Coffee Futures (Mar)	£588	-6	£1156	£1270	£572
Sugar (LDP Raw)	\$358.6	-20	\$256.8	\$381.0	\$235.8
Barley Futures (May)	£111.75	+ 1.10	£111.B		£100.96
Wheat Futures (May)	£1 19.30	+0.75	£115.7	£121.65	£104.7
Cotton Outlook A Index	75.80c	+ 1.55	63.90€	84.95c	81.35c
Wool (64s Super)	568p		682p	7100	568p
Rubber (Spot)	53.50p	+0.25	61,25p	64p	52.5p
Oil (Brent Blend)	\$20.075z	+0.30	\$16.70	\$21.975	\$16,125

SPOT MARKETS		
Crude of (per barrel FOS)		+ or -
Dubat Brent Blend W.T.I. (1 pm est)	\$16.85-6.952 \$20.05-0.10z \$22.97-3.02z	+ 175
Olf products (NWE prompt delivery per to	onne CIF)	+ 0+ -
Premium Gasoline Ges OR Heavy Fuel Oll Naphtha	\$227-229 \$170-171 \$88-90 \$197-200	+3 +4 -4½
Petroleum Argus Estimates		
Other		+ or -
Gold (par troy oz) 4 Silver (per troy oz) 4 Platinum (per troy oz) Palladium (per troy oz)	\$417.75 529,00c \$510.00 \$135.45	+1.50 +7.75 +2.60 -0.15
Aluminium (free market) Copper (US Producer) Lead (US Producer) Mickel (free market) Tin (Kusta Lumpur market) Tin (Kusta Lumpur market) Zinc (US Prime Western)	\$1420 1025 ₈ -104c 40.5c 300c 18.68r 287c 65 4 c	+20 -0.72
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	109.93p 207.98p 87.53	-0.23° +1.83° -0.90°
London daily sugar (raw) London daily sugar (white) Tate and Lyle export price	\$358.6x \$430x £328.0	+1.5 -2 +1.5
Barloy (English feed) Maize (US No. 3 yollow) Wheat (US Dark Northern)	£114.50w £128.5w £130	+0.75
Rubber (spot)♥ Rubber (Mer)♥ Rubber (Apr)♥ Rubber (KL RSS No 1 Feb)	53.50p 56.50p 57.50p 232.0m	+ 1.25 -0.25 + 0.5
Coconut oil (Philippines)§ Palm Oil (Malaysian)§ Copra (Philippines)§ Soyaboans (US) Cotton "A" index	\$420.0x \$270w \$282.5 £159w 75.60c	+7.5

	Close	Previous	High/Low	
Mar	622	626	628 621	
May	633	638	640 632	
لسل Sep	646 662	648 665	652 645 668 661	
Dec	687	689	691 685	
Mar	707	708	712 706	
May	720	723	723 719	
Turnove	r: 6210 (2273) lots o	f 10 tonnes	
ICCO Ir	rdicator p	vices (SOF	is per tonne). I 51) 10 day ave	Dell
tor Feb	2 757.90	(757.18)	al) to day ave	rag
COFFE	E – Lon	don FQX	£/s	001
	Close	Previous	High/Low	
Mar	584	590	693 583	
May Jul	538 599		-600 586	
Seo .	613	595 610	611 599 622 612	
Nov	629	625	635 829	
Jen	646	843	650 643	
Turnove	r. 3516 (1	1581) lots o	5 tonnes	
ICO Ind	icator pr	ices (US o	ents per pound 49). 15 day ave) fo
62.00 (6	20mp. gar 2.073	iy 62.72 (62	.49). 15 day ave	120
	- Lond	- BOY	(\$ per to	
Rem	Close	Previous	High/Law	1470
Mar	325.60			
May	326.80	325.80 327,00	330,00 324,40 329,80 324,40	
Aug	324.40	325.80	326.00 325.60	
Oct	315.40	318.60	318.00 313.60	
Dec	312.00 293.00	312.00 293.00	294.00	
White	Close	Previous		
Mer	429.0	429.5	High/Low	
May	426.7	426.5	429,7 427,0 427,0 426,0	
Aug	429.0	429.0	427.0	
Turnove	r: Raw 2	583 (8668)	lots of 50 ton	nes
TYDER S	12 (1439)			
2440. Au	vnite (FF er 2490 (r per tonn 3-r 2900 n	e): Mar 2438, ec 2160, Mar 21	Man Lak
CHUDE	OIL - II		, \$/tm	T O
	Laster			
Mar Apr	20.13		20.13 19.75	
Mey	19.61 19.29	19.43	19.60 19.35	
Jun .	19.10		19,10 18.84	
IPE Inde				٠.
Turnove	r: 5682 (4	362)		
GAS CH	L — IPE		\$/10	rane
	Latest	Previous	High/Low	
Feb	171.25	186.75	171,00 165.50	
Mar	168.25	164.50	170,00 162,75	
Apr Nav	165.00 162.00	161.75	185.00 151.00 182.50 156.00	
Jun	161.50	159.50	162,50 (353.00 161,50 (53.00	
Jul	162.50	159.50	162.50 158.50	

Cash 3 month	1384- s 1369-	5	1328-8 1339.5-40	1364/1343	1343-5 1350-2	12	6 1-2		460 k	
	per tonn		10000	10001 1040	1330-2	- 10		turno		NOO toni
Çash	429-3	1	417-8	429/428	428-0					
3 month			412-3	421/414	418-9	41	B-20		•	
	per ton		8400-25	-			Ring	turno	Ver 1,8	184 Jan
Cash 3 month	6800- s 6420-	25 30	6400-25 6200-25	6450/6250	6450-60 6325-50	83	50-400		5 Jota	
Tin (5 pe	er (Orane)						Rin	g turr	over 5	15 ton
Cash	6240- a 6365-	50	6250-70 6280-80	6380/6300	6200-30 6330-50					
3 month			s per tonne)	636363W	9530-30		85-70 Biog b	PROV	- 24 4	50 ton
Cest	1354-		1295-300	1321/1320	1320-1		rung u	4170	01 277	
3 month	a 1336	8	1290-3	1339/1300	1312-3	13	28-32		160 lo	_
	er tonne						Ring	g Burn	over 5	O) tons
Cash March 3	1350- 0 1330-		1290-90 1290-70		1320-5 1312-3				_	
LIME Ck	oring 2/5	rate:								
SPOT: 1	.00U.D		months: 1.663	8	6 months:	1.6252			monu	s: 1,60
POTAT)ES - 1			€/tonne	LONDON BO	JULION .	MARK	217		_
	Close	Previous			Gold (fine oz) \$ price			edrijas	
Feb Apr May	144.0 205.0	144,0 205.0	143.0 143.0 208.5 204.6 227.5 227.0		Close Opening	417½-4 417-417	18	2	18 ¹ 2-24 18-248 ¹	9
	227.5	227.8			Morning fix	417.35	7	2	8.000	2
Τυπονε	r 182 (37	4) lots of	40 tonnes.		Afternoon fix				8,632	
					Day's high Day's low	418½-4 416¾-4	19 171			
SOVAR		11 - SF	<u></u>	Stonne		~10-4-	","			
	Close	Previous			Colins	\$ price		3	equiva	lent
Acr	130.50	132.50	32.50 30.50		Mapleleaf	426-431		25	31-25	6 ¹ 2
Apr Jun	129.00		29.00		Britannia US Eagle	426-431 426-431		25 25	31 ₂₋ 25 31 ₂ -25	64 <u>2</u> 83a
Aug	128.00		28.00		Angel	425-431 415-418		25	ひり-25	612
Turnove	715 (30)	lots of 2	o manies.		Krugerrand Now Sov.	415-418 981 ₂ -10		24	7-249 1 ₂ -591	
					Old Sav.	98 2-10	012	58	12-56 ²	2
FREICH	T PUTUS	35 - 8	W \$10/inde	ex point	Noble Plat	516.10-6	24.30	30	6.76-31	1.60
	Close	Previous			Silver Sz	p/fine o	2	U	cts e	day.
Feb Mer Apr	1579 1808	1595 1627	1593 1580 1626 1608		Spot	315.90		53	1,60	-
Apr .	1616	1634	1631 1610		3 months	227.65			2.40 3.55	
البلا BFI	1373 1638	1393 1642	1385 1380		6 months 12 months	339.40 362.75			7.05	
	392 (44)				=					
		•			TRADED OPT					<u> </u>
ORADIS	_ ===			E/tonne	Alominium (9		Call			Uts
Wheat	Close	Previous		D WARR	Strike price \$			May_	Mar	May .
Mar	115.20				1350 1450	3		119 52	3 29	10 41
May	119.30	115.45 119.60	15.50 15.05 19.70 19.00		1550	6		17	20	193
May Jun Sep Nov	121.20	121.40 105.25	21.00 21.00 08.25 96.25		Copper (Grad	0 A)	Cell	•	P	ufs:
Nov Jes	109.30 112.85	109.10 112.70	09.30 09.10 12.75 12.75		2150			 52	13	46
	112,55	11210	1213 1213		2250 2350	7. 3		5 5	42 97	57 144
	~	Provious	High/Low		Colleg					
Barley Mar	Close 109.05	109.05			550			day _	Mar ·	May 14
May	111.75	111.50	09.75 09.05 12.00 11.75		600	3	2	i1 M	4 25	37
Turnover	Wheet	135 (226).	Barley BZ (24	}.	650	1			66	72
- CO POTON			-		Cotos			day	Mar	May
					550 600	7		0		18 42
71QS -			esh Settlemen		650	21 3		¥	\$ 2	42 79
	Close	Previous	High/Low		Breat Crude					4=-
Feb Apr	110.0 114.5	108.9 114.5	109.0 108.5 114.5			M	ler /	φr	Mar	Apr
Jun	115.0	114.5	114.5		1900 1950				4	3
Tomover	42 (55) 1	ots of 3,2	50 kg		2000		•	8	19	19

the crop futur forti	main by	trading,	. walche	re low
crop futu forti conf	produc	good or		
futu forti conf	les mari			
conf		शिल्म के	anticipat	on of
			The mea Is of the	
		quiet in		(445 10
Ne	w Y	ork		
GOLD	100 troy	oz.; \$/troy	<u>02.</u>	
	Close	Previous		
Feb Mar	41 <u>8.2</u> 420.4	418.0 420.3	419.0 0	416.3
Apr	423.4 429.1	423.3 429.6	424.3 430.0	421.3 427.5
Aug	434.3 439.6	434.2 439.7	433.0	433.6
Oet Dec	445.3	445.2	439.7 446.0	439.0 443.5
Feb Apr	451.0 456.4	450.9 458.3	461.0 Q	451.0 Q
	180 PM	oy oz: \$/tr	by oz.	
	Closo	Previous	High/Lo	
Feb Apr	511.0 516.5	510,4 517,4	0 518.5	. 0 515.5
Jul Apr	521.5 544.9	523.5 643.7	524.0 544.0	521.5 544.0
	_	y ex; cons		
	Closa	Previous	High/Los	
Feb	630.7	529.7	0	0
Mer Apr	8.025 538.0	532.8 537.0	536.0 0	529,6 0
May ful	542.2 550.4	541.2 549.4	844.5 563.0 560.0	536.0 847.0
Bop Dec	559.1 571.0	658.1 570.0	560.0 573.0	657.5 567.5
igit Visir	674.5 683.2	573.5 682.2	0 564.0	0 580.0
fay	691.3	590.3	0	0
PHDI	CES			
AEUT	ERS (Bas	a: Septem	ber 15 193	- 100
	Feb 2	Feb 1	www eb	
	1783.6	1780.7	1805.4	1966.7
DOW	JONES (E	Jan 31	31 1974 -	100)
Soot	127,68	127.53	moth ag	0 YT 40 136.61
كالالكات	127.55 129.47	129.09	129.37	139,91

HIGH	GRADE (OPPER 25.	000 lbs: c	ents/ibs	C	icag	ю .		•
	Close	Previous	High/Lo		• —		000 bu min;		h
Feb	101.05 100.06	198.93 97.70	101.00	101.00	- 3017	Close	Previous	High/Los	
Apr	99,35	97,20	99.40	98.80	Mar	560/2	559/6	561/4	558/
May	98.55 98.00	95.50 95.20	99.00	97.50	May	572/4	572/0	574/2	570/
الاك	97.50	96.20 95.60	97.80	0 98.70	ایران وی	584/0 567/8	584/4 587/4	585/D 589/O	563/
Aug .	96.95	95.00	0	6	Sap	586/4	587/0	589/C	587/ 586/
Sop Oct	96.30 95.85	94.30 93.90	85.30 0	95.30 0	Nov	591/6	593/4	594/4	591/
Nov	95.40	93.50	Ğ	ŏ	Jen Mar	601/4 612/0	602/4 613/0	603/6 0	601/0 0
CRUI	DE OF (L)	ght) 42,000	US gralla S	/berrel			60,000 lbs;	cents/fb	_ - _
	Latest	Provious	High/Lo	***		Close	Previous	High/Lov	,
Mar Apr	22.98 22.21	22.70 21.87	23.03 22.24	22.66	Mar	19.28	19.22	19.30	19.18
May	21.78	21.50	21.84	21.88 21.50	May Jul	19.62 19.87	19.58	19.65	19.53
Jun	21,47	21.16	21.50	21,18	Aug	19.00	19.86 19.92	19.90 19.97	19.80 19.84
ᄤ	21,16 20,83	20.85 20.57	21.17 20.84	20.89 20.60	Sep	19.92	19.93	19,97	19.86
Sep	20.56	20.35	20.60	20.37	Oct Dec	19.92 20.02	19.93 20.03	20.00 20.05	19.90 19.98
Oct Nov	20.40 20.30	20.19 20.09	20.42 20.30	20.24 20.15	Jan	20.00	20.05	20.01	20.00
Dec	20.23	20.03	20.35	20.05	SOYA	BEAN ME	AL, 100 tons;	S/ton	
HEAT	ING OIL 4	2,000 US ge	lis, conta	/US galls		Close	Previous	High/Low	,
	Laterat	Provious	High/Lo	-	Mar	166.4	167.4	187.2	165.6
Apr	8665	5575	5665	5555	- May Jul	169.9 173.0	170.8 173.8	171.0 173.6	180.3 172.3
اس. اندا	5400 5400	5343 5326	5430 5400	5300	Aug	174.7	175.5	175.8	174.3
مد ودا	5440	5388	5450	5305 5362	Sep Oct	176.2	177.3	177.5	175.8
Oct	5570 5640	5638	5680	5535	Dec	177.7 180.8	178.8 181.3	178.6 181.2	177.3 180.0
Nov		5603	5640	5640	Jan	182.0	183.5	162.0	181.5
	Close	68;\$/todnes			MAIZ	5.000 bu	min; cents/5	اودادیاط طاق	
		Previous	High/Los			Close	Previous	High/Low	,
Mar May	962 962	961 958	967 965	954 952	Mar	236/6	237/4	237/6	238/4
hd	971	974	978	963	May	242/2 246/4	243/2 247/2	243/2 247/2	242/0 245/6
Sep Doc	992 1012	1013 1013	993 1012	985° 1005	Sep	243/4	245/2	245/0	243/2
Mer	1034	1031	1034	1026	Dec Mar	241/2 247/4	243/2 249/6	242/8 248/4	240/8 247/0
Mey Jul	1048 1060	1047 G	1042 0	1042 0	May	251/0	253/2	252/2	251/0
					WHEA	T 5.000 bu	Min; cents/		
E	Close	5000ba; con				Close	Previous	High/Low	
vier .	50.38	80.64	High/Los 81.80		Mar	379/0	375/2	379/4	373/6
May	82.17	82.25	83.20	80.20 82,10	May Jul	357/8 349/4	364/4	367/6	364/0
<u> </u>	84.00	84.00	84.90	83.90	Sop	355/8	348/4 354/4	349/6 - 357/0	347/2 353/4
Sep Dec	85.70 88.00	85.75 88.05	86.70 88,80	85.65 68.00	Dec	367/6 373/4	368/4	366/0	364/2
Har Hay	90.13 91.75	90,25 91,58	90.50	90.50			372/0	373/4	372/0
ku!	93.50	94.00	Ď	0			000 lbs: cen		
UGA	R WORLD	"11" 112,00	00 itos; con	ts/ibs	Fob	Close	Previous	High/Low	
	Close	Provious	High/Low		Apr	79.57 78.47	79.00 76.10	79.70 76.60	78.90 75.97
/ler	14.61	14.80	14.92	14 67	Jun Aug	72.40 71,12	72.02	72.45	72.00
Azy W	14.74 14.59	14.62	14 88 14.70	14.65 14.49	Oct	71.87	70.95 71,60	71.25 71.92	70.87 71.55
)cr	14.18	14.28	14.29	14.48 14.06	Dec Feb	72.85 72.80	72.45	72.77	72.45
Apr Jay	13.46 13.39	13.48 10.35	13.52	13.35 <i>0</i>		7200	72,00 O lib; cents/k	72.85	72.65
ᄖ	13.34	13.30	ŏ	ŏ		Close	Previous		
OTTO	N 50,000;	conts/lbs			Feb	48.42	48.30	High/Low 48.87	40.40
	Close	Previous	High/Low		Apr	46.55	46.70	46.52	45.10 45.40
Asr Asy	66.99	65.91	67.15	66.81	Jun Ju	51.62 51.92	51.85 62.07	52.05 52.05	51.65 51.62
ul	66.22 68.62	68.05 68.30	68.26 66.56	68 65 68 60	Aug	50.32	50.65	50.65	50.27
ler ley	66.00 65.00	65.70	86.00	65.60	Oct Dec	45.72 46.18	48.15 48.56	46.00 46.40	45.50 45.10
		65.20 15,000 fbe; (C CONTRACTOR	0	Feb	46.60	46.80	0	48.60
	Close		High/Low		PORK		0,000 Rbs; ce	inte/lb	
ier	196.95	196.60	197.96	195.25		Close	Previous	High/Low	
lay	194.25	194.30	194.25	192.50	Feb Mar	49,00 48,77	50.20	49.85	48.85
ul ep	192.50 186.25	191.50 186.75	192.50 186.25	190 70 185.00	May	51.22	50,62 51.75	50.55 51.55	49,40 50,69
ev.	182.40	141.25	162-40	181.00	Jut Aug	51.57	51,80	52.00	50 82
an lay	179.70	179.00	179.70	178.00	Feb	49.50 53.50	50 00 53.85	49.95 54.50	49.05 53.50
	179.00	178.75	178.00	178.00	Mar	53.50	63.82	UT. 31	63.60

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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wine water

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20° fall

Employment data lifts dollar

STRONGER THAN forecast US employment data pushed the dollar a little higher on foreign exchanges yesterday. Non-farm payrolls rose 275,000 in January 1987. ary, about 100,000 more than expected. The figure was distorted by mild January weather, creating more than usual jobs in the construction industry. Nevertheless, the numbers were was still consid-ered strong enough to deter the Federal Reserve from relaxing its credit stance in the immediate future,

The impact in the market was not very great, but at the close in London the dollar had advanced to DM1.6860 from DM1.6800; to Y145.35 from Y144.85; and to FFT7.7350 from FFT5.7075, but had eased to SFT1.4960 from SFT1.4975. According to the Bank of England the dollar's index rose to 67.2 from 67.0.

Sterling maintained its recent firm undertone, sup-

£ [N KE	W Y	OR	K
Feb.2	Lattes		,	redots Class
Spot	1.6815-1. 0.85-0. 2.61-2. 9.10-9.	84pm 58pm 50pm	9.1 9.1	69-1.6690 66-0.85 74-2.72pm 23-9.13pm the US dollar
STE	TH.IN			
		Feb.	2	Previous
.8.30 am 9.00 am 10.00 am 11.00 am 11.00 pm 2.00 pm 3.00 pm 4.00 pm		89.4 89.4 89.4 89.1 89.1 89.1		88.9 88.9 89.0 89.0 89.1 89.1
~	RENC	—-		ES

* 1.58715 1.21219 1.44009 42.6420 7.88533 2.24002 2.36002 2.36002 1.515.24 1.75.9517 1.31.643 7.44469 1.81.462 0.769403 noted in ferms of SOR and commission Calculations. Let are for Feb.1

CURRENCY MOVEMENTS Startety Changes % 223 -110 -0.4 +12.1 -13.6 +16.7 +16.5 +16.5

OTHE	r Curre	MCIES "
VINE		11-71-1-
Feb.2	£	. 5
1607	<u> </u>	
Argentina	2902.06 - 3067.85	1775 00 - 1825 00
Australia	21705-21725	1.2915 - 1.2925
Brazil	30, 3830 - 30 4555	18 0650 - 18 1075
Flokand	6 6615 - 6.6820	3.9600 - 3.9700
Greece	262 75-267 25	156.20 - 158.80
Hoog Koss	13.1200-13.1330	7.8100 - 7.8126
#3#	125.40°	69.30
Koree(Stb)	1150.25 - 1168.75	664,70-690,10
Kennest	0.48750 - 0.48850	0,29050 - 0,29160
Locarbourg	59.20 - 59.30	35,20 - 35,30
جائوملحات	4,5295 - 4,5405	2,6970 - 2,6990
Healto	4527,60 - 4547.10	265.00-2705.00
N. Zeeland	2.7950 - 2.8000	1.6630 - 1.6660
Ar. المسح	6.2958 - 6.2990	3.7590 - 3.7510
Singapure	3.1340-3.1410	1865-18675 2 500-2 514
S. At (Cm)	4.2940 -4.2950	12%-53%
S.AI (FR)	5.5095 - 5.6820 43.75 - 43.85	205-333B
Taiwan	61635-61685	3,6720 - 3,6730
U.A.E	oriem-6-men-	2.0160 - 230130
	"Selling rate	

FORWARD RATES AGAINST STERLING Spot. 1 3 6 12 miles matter matter 1,6815 1,6729 1,6545 1,6299 1,5990 2,8350 2,8199 2,7887 2,7482 2,5794 9,6425 9,5104 9,5442 9,4661 9,308 2,5150 2,5049 2,4309 2,4523 2,3922 244,50 242,93 239,81 235,57 228,18

MONEY MARKETS Slightly firmer

RATES WERE slightly firmer in London yesterday. Three-month interbank rose to 15%-15th per cent from 15th 15th.

The Bank of England forecast a day-to-day credit shortage of \$750m, but revised this to £800m at noon, and to

UK clearing bank base lending rate 15 per ceet from October 5

\$250m in the afternoon. Total help of £740m was provided. Before hunch the authorities bought £498m bills, via £2m Treasury bills in band 1 at 14% per cent; £20m bank bills in band 1 at 14% per cent; £28m Treasury bills in band 2 at 14% per cent; and £448m bank bills in band 2 at 14% per cent. In the afternoon a further 5242m bills were purchased, by way of £55m bank bills in band

1 at 14% per cent and £187m bank bills in band 2 at 14% per

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury hills drained £559m, with a rise in the note circulation absorbing \$425m. These outweighed Exchequer transactions adding £220m to liquidity and bank balances above target of £20m.

reaction to news that UK official reserves rose \$80m in January. Forecasts for the figure had varied widely, but dealers were not surprised that the pound had not required general support from the Bank of

England.
The pound eased slightly to \$1.6815 from \$1.6825 and to SFr2.5150 from SFr2.5200 against a generally strong dollar and Swiss franc, but rose to DM2 2525 from DM2 2525 to ler and Swiss franc, but rose to DM2.8350 from DM2.8275; to Y244.50 from Y243.75; and to FFr9.625 from FFr9.625. Sterling's index gained 0.1 to 89.2. A comment by Mr Markus Lusser, President of the Swiss National Bank, that he would prefer a strong franc boosted the Swiss currency, particular the Swiss currency, particularly against the D-Mark, Political uncertainty in Eastern

Europe was also said to favour The French franc rose to its highest level against the D-Mark since mid-November after it was announced that the French trade deficit shrank to FFr2.21bn in December from FFr2.38 in November. This was about half the figure expected. The Italian lira was also firm, at the top of the European Monetary System. In Milan the lira touched its highest what against the D. Market. est point against the D-Mark for nearly two months.

Reaction was cautious but favourable to the concessions involving the African National Council, announced by President F.W. De Klerk of South Africa. The South African rand strengthened, with the dollar falling to R3.3058 from R3.4072 in terms of the financial rand in terms of the financial rand.

Dealers said it was too early to
talk about the lifting of sanctions, but if and when this happened the financial rand would

don at 77.40 cents.

DOLL	AR SPOT	FORWAR	D AGAII	UST.	THE DOL	LAR
Pub,2	Day's spread	Clase	One mouth	% p.a.	Tikree growths	% **
BICY Included Include	16785 16845 15725 15805 11855 11895 18895 1989 4.955 2652 16735 1679 1675 1675 1675 1679 1675 16		0.87-0.85cpm 0.41-0.35cpm 0.37-0.45cm 0.55-0.80cm 4.00-7.00cm 1.78-1.98ccm 80-9.cds 50-60cm 4.00-5.50rcm 1.38-1.63crem 1.38-1.63crem 0.20-0.18cm 0.20-0.18cm 0.20-0.35ccm 0.20-0.35ccm	6.14 2.95 4.15 4.48 3.97 8.219 4.56 4.56 2.15 1.57 0.25	2.72-2.69 pm 1.38-1.28 pm 1.32-1.27 ds 0.19-0.25 ds 15.00-20.00 ds 5.70-6.20 ds 173-1.82 ds 173-1.82 ds 13.00-15.00 ds 4.95-5.35 ds 1.48-3.94 ds 1.48-3.94 ds 0.80 and 4.06 ds	6.44 3.37 -4.18 -0.46 -1.69 -3.66 -3.25 -4.48 -3.17 -2.44 -3.17 -2.44 -3.25 -4.48
Sufficerland .	1.4910 - 1.5010 1.2070 - 1.2153	1,4955-1.4965 1,2070-1,2080	0.15-0.18cds 0.44-0.41cpm	122 422	8.49-0.54ds 1.30-1.25pm	-138 422
president and Irans, Flator	discounts apply to the fail france 35,25-35.	essi of Loadou Unidia te US dollar and sol 35.	to the infinidual o		Belgian rate is for	comertible
Feb.2	OFF	Close	One month	%	Three months	% p±

POU	ND SPOT-	FORWAR	D AGAIR			
Feb.2	Ony's Spread	. Clase	One month	2.2	Taree anonths	% pa
ada	15785 - 15945 - 15945 - 2020 -	1.650 - 1.620 1.990 - 1.990 3.194 - 3.204 57.20 - 57.30 12.654 - 12.964 1.6675 - 1.666 2.834 - 25.39 2.934 - 25.39 2.944 - 210.54 10.324 - 10.94 10.324 - 10	0.87-0.82-0 0.99-0.72-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 11-11-0 0.83-	5.14 2.84 5.45 2.67 3.09 6.34 -1.01 3.36 1.73 8.47 7.63 4.77 2.07	2.72-2.56 pm 1.25-1.05 pm 43, 43-pm 72-50 pm 6.90-0.55 pm 110-181 pm 114-45 pm 114-52 pm 114-52 pm 114-52 pm 32-23-1 pm 33-23-1 pm 33-23-1 pm 33-23-1 pm	6.44 2.32 5.74 2.83 2.83 2.83 2.83 2.83 2.83 2.83 2.83
imerciai : 30-59.40	ates taken topolisk (Sta-mouth forward d	he end of London to lotter 5,19-5,14cpm	ding. Beigian rati 12 months 9.30-9.	is convert 20pm	ible francs. Floa	icial franc
	MS EURO	PEAN CU	POFNCY	ш	PATES	

	Sea central rates	Carrency amoves against Eco Feb.2	% change . from control rate	% charge adjusted for discressor	Divergence Florit %
ielgian Francianisis Kroate anisis Kroate erwan D-Mark reach Francia tata Guilder rish Part authish Parata	42.1679 7.79845 2.04446 6.85684 2.30358 0.763159 1529.70 132.889	42.5420 7.88533 2.04012 6.92769 2.30652 0.769403 1515.24 131,693	+112 +111 +021 +103 +035 +035 -036	+112 +111 +121 +103 +103 +103 +082 -095 -0.90	±1.5508 ±1.6453 ±1.1762 ±1.3618 ±1.5272 ±1.6689 ±1.5162 ±4.2705
tanges are for Eco, the distinuit calculated by	efore positive d Flancial Tiese	singe desixtes a w i.	ak anag	· · : · . ·	

	JRO-CL	FRENC	Y INTI	REST	RATES	
Feb 7	Short. · · term	7 Days notice	Ome Month	Three Mostis	Stx Months	Çine Çine
Starting US Bother Lan. Deliar Lan. Deliar Lan. Deliar Lan. Deliar Lan. Deliar Lan.	149-148 87-84 124-124 87-84 94-94 8-73 134-104 104-104 104-104 124-12 84-84	15-14% 81-85 124-124 82-84 94-97 104-104 104-104 104-104 104-104 104-104 104-104 104-104	154-15 84-84 124-124 84-84 87-94 87-74 105-105 104-105 64-605 62-62 82-83	151-151 81-81 121-121 81-81 91-91 101-101	15- 15- 15- 15- 15- 15- 15- 15- 15- 15-	15-14 81-8 11-11 83-8 83-8 112-13 101-10 101-10 101-11 81-8

<u>. </u>	· ·	E	CHA	NGE	CRC)\$\$ i	RATE	3		_
Fa.2	£	5	DM	Yes	F Fr.	. S Fr.	B Fl.	Lina	C.S	BF
£	1 0.5%	1.682 1	2885 1485	244.5 145.4	9,643 5.733	2.515 1.495	3.198 1.901	2105 1251	1.999 1.188	59.2 35.2
OM YER	0.353 4.090	0.593 6.209	j7 70	86,24 1000.	3.401 39.44	0.867	1.128 13.08	742.5 8609	0.705 8.176	20.9 242
F Fr. 5 Fr.	1.037	1.744 0.667	2.940 1.127	253.b 97.22	10. 3.834	2.508	3.316 1.272	2183 837.0	2073 0.795	61.4 23.5
n Fl. Ura	9.313 0.475	0.526 0.799	0.885 1.347	76.45 126.2	305 450	0.786 1.195	1,519	658.2 1000.	0.625 0.950	18.5 28.1
C S B Fr.	0.509	0.841 2.839	1.418 4.785	122.3 412.7	4.524 16.28	1.298	1,600 5,397	1053 3553	1 3,374	29.6 100.

FT LC	ONDON INTE	ERBANK F	IXING
	3 months US dollars		US Dollars
had 83e	offer 84	18 bid	offer 846

part to the marint by the reference banks at 11.00 a.m. each working day. The banks are listings in Bank and a Tolom. Distarbs East, Sance Rational is Parts and Borgan Gonzarty Treat.

	H	IONE	/ RAT	ES		
NEW YORK			Treasur	Bills and	Bonds	
(Lignelstime) Prize rate Broker lean rate Fet frants Fet lynds at lotervention	1	he croath fer month free month is month he year		8.02 Four		838
Feb.2	Oversight.	One Month	Two Months	Three Mosths	Skx Mosths	Lombard Intervention
randon L	7.70-7.90 104-104 84-94 8.12-8.37 62-64 124-124 9.00 11,8-113	7.35-7.65 104-107- 93-94 8.52-8.60 68-64 133-131 103-134 113-124	7.75-7.85	7.95-8.10 11-11-1 91-94 8.65-8.75 68-7 134-135 10-10-2 12-12-4	8.30-8.45	8.00 9.50

L	ONDO	n mo	NEY.	RATE	. S	
Feb 2	Overalght	7 days notice	One Month	Three Months	Six Months	Ose Year
nterbank Offer	15 14	15 144	154 154 154	155 156 156	151. 151. 151.	15 L 14 H
merbank Bid	14 1	744	124	124	124	14%
Sterling CDs Local Authority Deps	147	14%	45	172	146 I	147
.otal Authority Bonds		27.7	-	1	, 2	
Discount Mitt. Decs	14%	14%	143	145	- <u>-</u>	_
Company Deposits			152	145 155 165 165 165 165 165 165 165 165 16	胀	15
Inaace House Deposits	_	_	154	医口	35 t	15 15
reasury Blik (Burd	=	~	1485	1412	r - I	=
Bank Bills (Buy)	- 1		145	141	14&	-
Toe Trade Bills (Boy)		~	15%	15% (1433	_=_
Aorian CDs	1		8.25	8.30	8.35	8,52
DR Linked Dep. Offer .	- 1		64	92	92	94
DR Linked Dep. Bid	_	~	82	_9	94	8.52 91 113
CU Linked Dep. Offer ,	- 1		145 153 888 103	114	145 145 93 94 114 114	113
CU Linkes Dep. Bis	-	~ j	104	, 11 j	ᄁᇗᆝ	114

Treasury Bilis (self); one-month 14() per cent, three months 14() per cent; Bank Bilis (sail); one-month 14() per cent; three months 14() per cent; Treasury Bilis; Average trader rate of discount 14.47(0) p.c. EGGD Fixed Rate Sterling Export Finance. Make up day January 31, 1990. Agreed rates for period February 25, 1990 to March 25, 1990, Scheme 1: 15.89 p.c., Scheme II & III: 15.43 p.c. Reference rate for period Dec 30, 1999 to January 31, 1990, Scheme IV&Y: 15.199, p.c. Local Authority and Finance Houses seven days' notice, others seven days' Rated, Finance Rouses Bays Rate 15(); from January 1, 1990; Bays Deposit Rates for same at seven days' notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit E100,000 and over held under one month 11(); per cent; one-three months 13 per cent; under 51 months 13 per cent; also-chembe months 13 per cent; Under £100,000 11(); per cent from Oct 9,1989, Deposits withdrawn for cash 5 per cent.

FINANCIAL FUTURES AND OPTIONS Pais-Mar 0-05 0-11 0-25 0-25 1-34 3-21

Estimated volume total, Calls 631, Pats 1115 Previous day's open let. Calls 24648 Pats 13715

LONDON (LIFFE)

pened the financial rand would move up sharply.

A rally by the Australian dollar was largely technical, after its recent fall on an easing of the Reserve Bank of Australia's monetary policy. It broke through resistance at 77.10 US cents to close in London at 77.40 cents.

	Uar 94-05 94-11 Jun 94-00
LAR	Sep 74-00
% 8.2	Estimated volume 2344 (532) Previous day's open int. 5099
6.44 3.37 -4.18	6% NOTINUAL GENERAL GOV BM250,000 1000s at 196%
-4.18 -0.46 -1.99 -3.66 2.08 -8.58	Close High Mar 88.20 88.34 Jun 88.34 88.34 Sap 88.54
-6.52 -4.48	Estimated volume 44412 (374 Provious Cay's open let. 4261)
-317 -248 -8/A 1.25	6% MOTRICAL LONG TEXES . NORW Y100m 100Ms of 100°
0,07 -1,38 4,22 cv. Foregred	Clesc High Mar 97.29 97.50 Just 97.29 Sep
comerible	Estimated volume 226 (287) Previous day's open lat. 830 (
ND %	THREE MONTH STEM DAG ESOC,000 peints of 190%
pě.	Clase High

Est., Vol., Care, filgs, not shown) 5465 (6524) Previous day's open lat., 37566 (37335)

THREE MANTH ECH ECH Im points of 180% LON-28.80

Estimated volume 597 (192) Previous day's open lot. 1868 (1854)

Estimated volume 3127 (3264) Previous day's open int. 22067 (21939) o-\$ (FRESIE) EXCENSES 1-min. 3-min. 6-min. 12-min. 16729 16545 16299 15890 Sect 1.6815 BOG-STELLING St. per C

Latest High Low Pres. 16686 16708 16642 16704 16422 16450 16462 16448 16220

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Estimated volume 12196 (16622) Previous day's open int. 38291 (37352)

91.56 91.46 91.45 91.52 91.77 91.87 Page 155 91.47 91.55 91.78 91.57 92.19 92.19

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0.07 0.12 0.22 0.39 0.49 1.45 2.40 2.05 1.73 1.43 1.18 0.78 0.63 0.79 0.75 0.34 0.08 0.04 0.02 0.02 0.02 0.03 0.07 0.14 0.31 0.52 0.75 1.36 1.14 0.93 0.74 0.56 0.41 0.29 0.21 U.S. TREASURY BOOKS (CRT) 8% 5100,000 32mb of 100% JAPANESE YEN (1980) Y12.5m \$ per Y280

94-18 94-18 94-12 94-02 93-13 BESTSCHE WARK (DAY BM125,000 \$ per BM H.S. TREASURY SELS COMPY Slar points of 190% 91.61 91.61 91.47 91.25 91.17 91.07 91.02 90.95 High 91.67 91.62 91.56 91.24 91.24 91.08 91.08

Low Pres. 332.90 330.10 332.90 334.05 337.00 337.95 0.26 0.69 1.55 2.62 4.22 16.16 Apr 0.65 1.53 2.40 3.71 5.53 7.20 0.22 0.30 1.29 2.81 4.95

Open Int 55,406 13,973 5,092 2,800 Pais June 0.52 0.84 1.20 1.71 Sept. 43,682 215 Open Int. 8,687 6,175 1,535 165 Open 1902.0 1909.0 1905.0 Cox 1922.0 1917.5 1905.0 Open let. 5,004 Low 1897.D +27.5 +11.0 ted volume 4,866 Total Open Interest 5,769

BANK RETURN Wednesday January 31, 1989 Increase or decrease for week LIABILITIES
Capital
Public Deposits 4,709,311 105,622,115 25,821,470 57,925,186 1,529,327,458 2,073,549,342 3,675,354,986 75,091,334 ASSET\$ 1,675,615,279

321,896,250 365,165,467 34,637,082 2,829,616 4,651 521,218,025 1,470,419,892 7,855,239 248,551 3,675,354,988 75,091,334 ISSUE DEPARTMENT LIABILITIES 14,942,144,761 7,855,239 ASSETS 11,015,100 10,994,580,404 3,944,404,498 579,624,235 519,624,235 14,850,000,000 60,000,000

BASE LENDING RATES

Co-operative Bank
Contrs & Co
Cyans Popular Bt
Dunhar Bank PLC
Dunhar Bank PLC
Equatorial Bank plc
Equatorial Factorial Control Control
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O Bernn Shipley
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Chihank BA
City Merchants Bank
Olydestele Bank
Chibank BA

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Provincial Bank PLC 15
Provincial Bank PLC 16
Rostingle 6 Tanite 156
Royal Trust Bank 15
Sankin & Williams Sess 15
Stankind Chartered 15
TER Ruderghe G'rantee Rugal Bk of Scotland Rugal Trust Bank • Smith & William Sets. ... Standard Chartered United Bit of Kunsht ... 15
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Western Treat ... 15
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Withhomson I sidles Whiteaway Laidlau 15 Yorkshire Bask 15

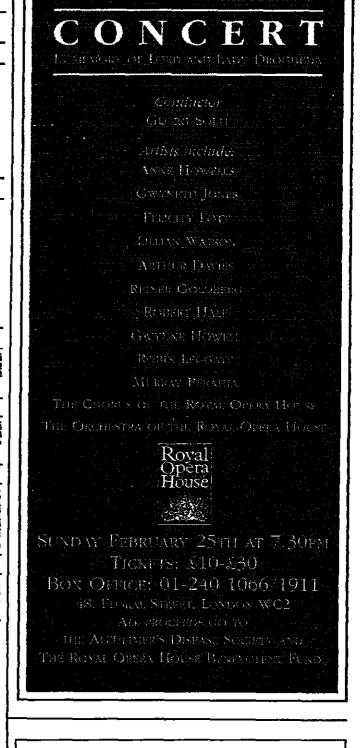
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104 95 Bresshill 64 % New C.C.R.P 95
311 285 CCL Group Orthogy 311 hat
176 165 CCL Group 11 % Coar. Pref 167
225 140 Carbo Pic SSD 210
110 109 Carbo 7.5% Pref SSD 110
7.5 0.125 Magnet 6p Non-Voting A Car* 0.125
5 0.125 Magnet 6p Non-Voting A Car* 0.125
130 100 lsk Group 1100
145 35 Jackson Group (SD) 110
322 260 Markibous NY CanstSC 260
158 98 Robert Jeskins 133nd
467 365 Scrattons 366
300 270 Torday & Carliste Car Pref 104
160 106 Unistrat Europe Coar Pref 159
395 350 Veterinary Drug Coar Pref 159
395 350 Veterinary Drug Co. P.C. 350
370 298 W.S Yestes 2016 (1550) and death in authors 11.6 -11.6 -4.7 3.8 8.8 -3.6 12.4 9.4 -10.0 18.7 9.3 10.7 9.3 22.0 16.2 7.5 4.8 5.1 9.7 3.1 10.3 10.3 -10.3 -5.8 -6.3 9.4 5.4 24.8

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LONDON STOCK EXCHANGE: Dealings

Tate 8. Lyle PLC7%% Deb Sik 88/94 – 282% (26Je90) 582% (26Je90) 2033/08 – 286 (3CJe90) Taylor Woodrow PLC9%% 1st Mitg Deb Sik 2014 – 280% Teltos Nicky PLCWerrants to sub for Ord – 124 (20Je90) Terrossepe Ges Pinalina Co 10% Sand

THORN Em Parameters (31.1890)
Watersmis to sub for Ord – 270%
Tiger Osta Ld5%% Cam Pri R2 – 9
(30.1890)
Tiger(Thomas) PLC 5.25% Cam Pri £1 –

70 (23Ja90)
8% Deb Six 85/90 - £95%
8% Uns Ln Six 86/94 - £80 (31Ja90)
Tehook PLCUnits of 420p of CULS
1990(Park) Pd(Reg) - 147 8
Tootal Group PLC5% Cum Prf £1 - 50
(23Ja90)
7% Deb Six 85/90 - £98
7% Uns Ln Six 88/94 - £84
Trades 8 C CM 100 - £90

/ %% Uns Ln Stk 89/94 - 284

Towles PLCOrd 10p - 200

"A" Non.V.Ord 10p - 98

"%" Non.V.Ord 10p - 98

6% 18- Pog Pri 50p - 40

6% 18- Pog Pri 50p - 60

- 48- Pog Pri 50p - 60

- 48- Pog Pri 50p - 60

- 68- Pog Pri 50p - 60

- 68- Pog Pri 50p - 60

(30,)±90) 9.1% Uns Ln Sik 95/2000 - 284

Unigate PLC5% Uns Ln Stk 91/96 - 256.

(26,1980) 6%% Uns Ln Stk 91/96 - 271 4 5 nigroup PLC7%% Cum Cnv Red Pri St

79,725© 80.02© 80,265© 80,345© 5%% Uns Ln Sik 91/2006 – 250

30Ja90) PLCADR (4:1) - 244.65**©** \$

(30,1990) 8% Uns Lo Sik 91/2006 - 270 4 % 5 % nion international Co PLC6% Cum Pri

8% Lins Ln Six 97/2006 - 2/0 4 % 6 % Linkon International Co PLC6% Cum Pri Six £1 - 56 8 7% Cum Pri Six £1 - 60 Linkeys Corp.Com Six £5 - \$14 (23,690) Uniters Corp.Com Six \$5 - \$14 (23,690) Uniters Six 69 - 280 (31,890) PLC 5% Deb Six 53/69 - 280 (31,890) Uniter Six 66 - 180 (31,890) Uniter Six 66 - 180 (31,890) PLC 56 Corp. Cum Non-Vig Red Pri £1 - 57% Pix 9 Upton & Southern Holdings PLC Ord 250 - 23%

Vickers PLC5% Pri(Non-Cum)Stk 21 - 48

(23Je90)
5% Cum(Tax Pres To 30p)Prf Str 21 —
67% (30Je90)
Wagon industrial Hidgs PLC7.25p. (Net)
Cnv Prg Prf 10p — 98 (30Je60)
Walker & Staff Hidgs PLCOrd 5p — 161
(26Je80)

(26,1690) Ismer-Lambert Co Com Sik \$1 ~ 20,645 (29,1690) Istmoughs(Hidge) PLC 81/% Cum Red Pril 2006 £1 ~ 82 (31,1690)

2006 \$1 - 82 (31,480) faverley Carterion PLC7.5p (Net) Criv Cum Red Pri 5p - 590 fembley PLC7.5% Criv Uns Ln Sik 1999

- 190 (31Ja90) estand Group PLCWarrants to sub for

Ord - 49 50 7%% Carv Qum Pri 21 - 153 3 hittocroft PLC4.1% Cum Pri 21 - 50

Whitecord PLC4.1% Cum Prf £1 = 50 (31Ja90) Widney PLC8.76% Cnv Cum Red 2nd Prf 2000 £1 = 63 (31Ja90) Williams Hidge PLC 10%% Cum Prf £1 = 107 (31Ja90) Yorkshire Chemicals PLC5% Cum Prf £1 - 46 (28Ja90)

Financial Trusts, Land, etc.

ellie Gifford Technology PLCWar sub for Ord - 12 (31Je80)

b for Ord – 12 (31Je90) Innia Arrow Hidgs PLCWis To Ibscribe for Ord – 35 40 (26Je

21 - 1666 Daly Mail & General Trust PLCOrd 50p -

EFT Group PLCWarrante to sub for Ord -

ploration Co PLCOrd Stk 5p - 205 Exploration GO PLEURO on up (29,989)
First Debenture Firence PLC11.125%. Severely Gid Deb Sitt 2018 - 292%. First National Finance Corp PLC 10% Subord (Ins Ln Sitt 1992 - 290%.

Subscribe for Ord = 35 40 (26J±90) British & Commonwealth Hidgs PLC 10%% Urs Ln Set 2012 - 250 2 (20Le90) Colonnade Development Capital PLC Ord

(31Je90) THORN EMI PLCADR (1:1) - \$18.05

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous

on with the relevant date Rule 53S(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic

2009(Reg) - £100% (31Je90) vdro-Guebec 12,75% (J. 90k 2015 -

\$108% %
15% Ln Sik 2011 - \$122% (30Js90)
losiand(Rapublic of) 14%% Ln Sik 2016 £114 (31Js90)
lnco Ld 15%% Uns Ln Sik 2008 \$ Rep Opt
- £114 (30Js90)
Inter-American Development Benk 9%%
Ln Sik 2015 - 285% % 7
International Benk tor Rec & Dev9%% Un
Sik 2010(Reg) - 288% % % %
11.5% Ln Sik 2003 ~ 299% % 3 % %

and 12%% Ln Sik 2008(Reg) - 2108%

(SOJaild)
Nationysis 10%% Ln Sit. 2009(Br) - £88
(SJJaild)
New Zealend 11%% Sit. 2008(Reg) £95% (ZSJaild)
11%% Sit. 2014(Reg) - £99
Nova Social(Province of) 11%% Ln Sit.
2019 - £95% % % % 8 % % (SJJaild)
18%% Ln Sit. 2011 - £135% % (SJJaild)
Patroleos Mendcanos 14%% Ln Sit. 2006 £04. £28 is 1606

277% % % 9% Ln Sik 2015(Br) - 277% (30.1e90) Province de Quebec 12%% Ln Sik 2020 · 2104% •

2104%9 pain(Kingdom of) 11개% Ln Stk 2010(Risg) — 2100.95 1 iweden(Kingdom of) 9개% Ln Stk

Banks and Discount

Companies

2014(Reg) - 588% (31,Je90) 13.5% Ln Sek 2010(Reg) - £116%

(30Ja90) Trinidad & Tobago(Republic of) 12%% La St. 2009(Reg) - 592% (25Ja90) United Maxican States 16%% Ln St. 2006(Reg) - \$105 (25Ja90)

Bardaya PLCADR (4:1) - \$38.95 9 %. Bardaya Bank PLC77% Una Cap Ln Sek 88/61 - £90 8% Una Cap Ln Sek 86/83 - £84% 5 12% Una Cap Ln Sek 86/83 - £84% 5 12% Una Cap Ln Sek 2002/07 - £121% (31Ja80)

% (31.980)

Barregs PLGP% Cum 2nd Prf £1 = 87

First Chicago Corp Conn Set \$5 \$31.794929 (30.990)

Hambros PLGNon Vig £1 - 59

Kyown Sank LdSha of Com Set Y50
Y16100

"Y16104" Idland Bank PLC7%% Subord Uns Ln Sik 6393 - 284 (31.1290) 10%% Subord Uns Ln Sik 93/96 ~ 294% (31.1290) 14% Subord Uns Ln Sik 2002/07 ~

Titsubishi Trust & Banking Corp Sha ol Com Sik Y50 - Y2740 7,504

Com Set 120 - 12140 7,304 Lettonal Westminster Benk PLC7% Cum Prf £1 - 64 (31,1290) 9% Subord Uns Ln Stk 1993 - £88%

(30,1±80) 7%% Red Deb Str. 88/93 - 284 New 9%% Deb Str. 2019 - 284.075 %

h 9th 2000 _ 60

11% Deb Six 2003 - 289% Ф 6% Uns Ln Six - 256 (30489) 7% Uns Ln Six - 250 6 7% Uns Ln Six 83/96 - 270 7% 888 PLC4% Cam Pri 21 - 37 7% Cam Pri 21 - 67 3% Deb Six 87/92 - 281% (31Ja80) 8% Deb Six 87/92 - 288 (31Ja80) 10% Deb Six 2016 - 289 ½ % % ½

%
41% Uns Ln St 92/97 - 283 (26.0x90)
7 73% Uns Ln St 92/97 - 278% 90
Bess Investments PLC77% Uns Ln St
92/97 - 277% (30.0x90)
Boddington Group PLC93% Cnv Uns Ln
St 2000/05 - 2158
BulmentH.P.JHidgs PLC9%% Cum Pri 21 85 (29.4x90)

Bulmer(H.P.)Hidgs PLC9%% Cum Prf £1 - 85 (23)480)
85% 20 Cum Prf £1 - 86
Everards Brewery Ld5% Cum Prf £1 - 64 (30)490)
Graenali Whitley PLC^4* Ond 5p - 218Ф
8% Cum Prf £1 - 95Ф
7% Deb Sik 87/92 - 285 (30)490)
10% Deb Sik 2014 - 284% (31)490)
7% Irrd Ure Ln Sik - 263 (31)490)
Guinness PLCADR (£1) - 564.8 (23)480)
Hardys & Harsons PLCOrd 25p - 835
Heavitree Brewery PLC115% Cum Prf £1 - 108 (26)4890)
Mansfield Brewery PLCOrd £1 - 483

- 105 (26.1880)
Mansfield Browery PLC Ord 21 - 483
Scottish & Newcastle Broweries PLC 4.8%
Cum Pri 21 - 700
7% Cnv Cum Pri 21 - 147
7.8% 1st Mtg Deb Sik 89/94 - £83
628 Jeon

(26Ja90) 54% krd Uns Ln S& - 250 Young & Co's Brewery PLC9% Cuss Pri 21 - 90 (26Ja90)

North Housing Association LdZero Con Ln Six 2027 - 275 (31Ja90)

Commercial, Industrial, etc

ADT Ld Com Shs \$0.01 (Restricted Transfer) - £1.83 1.87 ADR (10:1) - \$33.56 .55 .606 % .65 %

7. AECI Ld5%% Cum Prf P2 - 22 (30Je90) AMEC PLC15% Uns Ln Stt 1992 ~ 2100 Airtours PLCWerrants to sub for Ord - 8 (31Je90)

(31Jz90)
Albright & Wilson Ld & Deb Six 87/82 - 287 (25Ja90)
Alcan Aluminum Ld Com She at NPV - 212

212 Group PLC6.25p (Net) Crv Cum
Red Pri 10p - 104
American Brands Inc Ste of Com Sit
\$3.125 - 566.6294
Anglo American Inclustrial Corp Ld5.825%
Cum Pri R2 - 10 (50)us90)
Anglo United PLC Crv Red Pri 10p - 98
Arcolectricitidgs) PLC Crv Bp - 110
(23)us90)
Associated British Foods PLC5%% Unit
Ln Sit 87/2002 50p - 29% (23,us90)
7/% United Included PLC6% PLC5%% United PLC6% PLC6% PLC6%% United PLC

ASSOCIATED PLC 25% UND LIT SEC 1/36 - 280% ASSOCIATED PLC 75% UND LIT SEC 2874 - 280% (25.190)
Alteroods PLC ADR (5:1) - \$35% %
Attwoods PLC ADR (5:1) - \$35% %
AUTHOR - 133 5
Austin Read Group PLC Ord 25p - 420
(30.190)
Automated Security(-1593) PLC 5% Chr Curr Red Pri 21 - 163 3
6% Chr Curr Red Pri 21 - 126 8
Ayrahire Metal Products PLC Ord 25p - 97
BLAT Industries PLC ADR (1:1) - \$13% %
SS6

90) led Fisheries PLC 8%% Ung Ln S&

Registered Housing

Associations

lep 0()9% Ln Stk 2016(Reg) -

Petroleos Mexic £94 (26Ja90)

Bargains at special prices. • Bargains done the previous day.

British Funds, etc

Treasury 9% Ln 2008 "B" - £90 % (26,1630) Corporation and County Stocks No. of bargains included 8 London County 2%% Cons 5th 1920(or after) - £34 (283/89) Greater London Council 6%% 9th 90/92 - £87% % 8% District Council 11 % % Red Stk 2012 - S97% Bristol(City of) 11%% Red Stk 2006 -£101 % (30Ja90) Huli Corp 3%% \$th(2nd iss) — £24 (30Ja90) Leods(City of) 13%% Red Str 2006

(30.580)
Leeds(City of) 13%% Red Stk 2006 - £112
(23.580)
Livespool Corp.2%% Red Stk 1923(or stker) - £19 (30.690)
Manchester(City of) 11.5% Red Stk 2007 - £97% 9 (29.580)
Newcastle-Upon-Tyne(City of) 11%% Red Stk 2017 - £39%
Reading Corp.3% Stk 1962(or atter) - £25 (30.580)

UK Public Boards Agricultural Montgage Corp PLC5%% Deb Stk 93/95 - E81% (30Ja90) 6 k% Deb Stk 92/94 - E80% % %

(30,1490) 6%% Deb Str 85/90 - £95 7%% Deb Str 81/93 - £85 (31,1490) 10/4% Deb Str 82/95 - £91 (31,1490) letropolitan Weter Southwark & Vauchu Water Co 3% Deb Str - £30 ort of London Authority 3% Port of London A Sit 29/99 - 2504 Foreign Stocks, Bonds,

etc-(coupons payable in LONGON) No. of bergains included 20 Behiefstate of/Brazi55% Gold Ln 1913(now 1%%) - 280@
Abbey National Building Society 10K%
Bds 1993 - 231% % (23Ja26)
Agricultural Morgage Corp PLC 11%% Nas
1994 (87:1000,1000a100000) - 294%
Anglo Group PLC95% Cnv Bds 1999

Angle Group PLC9%% Cnv Bds 1999 (Reg) - £110\$ Arco British Ld11% Bds 1992 - £91% Arco British Ld 11% Bda 1992 - 2317 B.A.T.International Finance PLC 10%% Gtd Nts 1991 (Br25000) - 293% % 4% (30,1690) Barrique Nationale De Paris 9% Nts 1983 (BYES000) - 287 % (30,1480) 9 % Nts 1991 (BYES000) - 284 % 2

rsussuj clays Bank PLC 10%% Senior Subord | Bds 1997 - 289% (30.1e90) | 12% Nts 1992 - 297@ | lekins B.V. Zebras 25/1/95(Br £10000) -| £55% (26.1e90) industries PLC6%% Subord Ger Bus 2002 - E105 % Boots Finance Ld6% Chv Cap Bds 2005 (Br) - 259% (31.1850) British Anways FLC10% Bds 1986 -page 2014-2014

£88 ¼ (30Ja90) British Gas kiti Finance BV8¾% (skilitis 1999(Br\$1000, 100005,100000) — \$94.45

** 7 (28.1a90)
1911 - 1904 (190008.100009 - \$94.45
17 (28.1a90)
1915 - 1905 ** (29.1a90)
1910 - 1905 ** (29.1a90)
1910 - 1905 ** (29.1a90)
1910 - 1905 ** (29.1a90)
1911 - 1905 ** (29.1a90)
1911 - 1905 ** (29.1a90)
1911 - 1915 ** (29.1a90)
1911 ow Chemical Co Zero Cpn Nts 30/5/97 -£42% % (26Js90)

i (26Ja90) usiness Development Bank9%% 1990 (Br\$C1000&10000) eneral Motors Accept Corp Canada9%% Nts 30/9/91(Br\$C1000&10000) - \$C85.7

8 (26.la90) Grand Metropolitan PLC6%% Subord City Bds 2002 (Br25000) - £101% (26.la90) Halfax Building Society 10%% Nts 1997 -11% Subord Bds 2014(Br£10000&100000) - £87%

2014(B/£100006100000) - 2cr //
(313690) Fitig Rete Ln Nts 1992(B/£25000) - £100.07 (253690) Hehmetch & Payne Finance NV7%% SubDebs 1995 - £132 153% (253690) Hickson Capital Ld 7% Criv Cap Bds 2004 (B/£1000610000) - £97% Hydro-Cuebec 11%Dbs5e/Hc3/2/89(B/\$C1000,10000816 - £C39 (313690)

11%DbsSerHC9/299(Br\$C1000,10000810)
- \$C99 (31Ja90)
LCI,Finance(Notherlands)NV63% Gtd Cnv
Bds 1999 - 1256
Moperal Chemical Industries PLC9%%
Bds 2005 - 282% % (30Ja90)
Investors in Industries PLC9%%
Bds 2005 - 282% % (30Ja90)
Investors in Industries PLC9%%
Bds 2006-1920 - 280 (23Ja90)
Industries Group PLC5%% Subord Cnv
Bds 2004(Br2100065000) - 2191%
Land Securities PLC6%% Cnv Bds 2002 - 286 % (31Ja90)
Legal & General Group PLC 12%% Nts
1992 - 256% & AP
Loyds Banth PLC11%% Subord Sertel Nts
1993(Br210000) - 221% (30Ja90)
Mc Group PLC5%% Subord Cnv Bds
2002 - \$179,4785 (25Ja90)
Morgan Gustranty 151 Co of New York
12%% Deposit Nts 1994 - 597.7
(23Ja90)
National & Provincial Bidg Society Fits
2nth Nts 1994 (Ftr-50008) 100000 -

(23Ju90)
National & Provincial Bidg Society Fitg
Rate Nts 1996 (8725000&100000) —
139.37 (25Ju80)
National Mutual Group Finance Ld 10%
Nts 1993 — 128-27 (30Ju80)
National Westiminater Bank PLC 12% Nts
1992 — 196%
New Zeeland \$1% Bids 1995 — 288%
(30Ju80)

(30,1±90) 10%% Nts 1995 (Br\$C1000&10000) — \$C97% (30,1±90)

\$C97% (30,1290) lorsk Hydro A59%% Nts 9/2/95 - \$100% (26,1290) Desterreichieche Kontrollbank AG 12% Gtd Jesserwichische Kohmobisser AG 12% Ged Nts 1992 – 1996% (21 Ja90) Peninsular & Oriental Steam Nev Co-4%% Crv Bds 2002 – 198 (30 Ja90) Prudential Funding Corp 11% Nts 1992 (BrSC 1000& 10000) – \$C98y, 9% (26 Ja90)

(28Ja90) Royal Bank of Canada 101/% Dep Nts 1991(8/15000) – £83% (30Ja90) Royal Bank of Scotland PLC 101/% Subord 86x 1998 (8/150008.25000) £88% (30Ja90)

Sears PLC 10% Bds 1993 - 292 %
(31.1390)
Skough Estates PLC 5% Cnv Bds 2003 - 2102%
Smith 8 Naphew Associated Cos PLC 4%
Cnv Bds 2002 - 298 %
Smith 8 Naphew Finance N.V. 8%% Gtd
Red Cnv Pri 2004 (8r) - 2104 %
Standard Chararend PLC Lind Prim Cap
FitgRetoNts (8r25000350000) - 298%
7% (31.1890)
State Benk of New South Wales 13%% Nta
1993 (8/3A1000810000) - \$A\$9.8417
(29.1890)

enouse PLC 4%% Cnv Subord Bds.

Storehouse PLC41% Criv Subord Bds 2001(Br25000) - 197% Sweden((Ingdom of)95% Bds 1997 -285.85 (30Ja90) Telefonica De España SA4% Criv Bds 2003 - 5101% D Tesco PLC4% Criv Bds 2002(Br2100085000) - 115 (30Ja90) THORN EMI Capital NV54% Gdd Red Criv Prf 2004 (Br25000) - 21107/0 10 Unisever PLC121/4% Nts 1994 - 298 % Sterling Issues by Overseas

Borrowers No. of bargains included 51

Asten Development Bank 10 km. Ln 5tk 2009(Reg) - £92 km. Caisse Centrate De Cooperation Econ 12 km. Gtd Ln 5tk 2013(Reg) - £107% Caisse Nationale Des Autoroutes 16% Gtd Ln St. 2006 - £131 km. Credit Foncier De France 10 km. Gtd Start Ln 5tk 2011,12,13,14(Reg) - £91 km. £29,400

– £91 % (29Ja90) 14%% Gild Lin Sik 2007(Reg) – £122% 3 tenmark(Kingdom of) 13% Ln Stk 2005 – £107%

£107% Eaton Finance NV 12%% Uns Lin Stik 2014(Reg) ~ £97% (25Ja90) Electricitie de France 12%% Otal Lin Stic 2006(Reg) ~ £109 9 % 11%% Otal Ser Lin Stik 2009/12(Reg) ~ £103%.

11 % of Ser Ln Ser 2013 % 103 % 17 Ser 2013 % 18 Ser 201 (Reg) - 282% 3 % 18 95% 10 Ser 200 - 285% 10 % Ln Ser 2004 (Reg) - 291.55 11% Ln Ser 2002 (Reg) - 295% Finland (Republic of) 11 % Ln Ser 2002 (Reg) - 295%

B.A.T. Investments PLC 10% Uns Ln Sek 90/95 - 283% 4% 10/5% Uns Ln Sek 90/95 - 294 BBA Group PLC 10% Deb Sek 85/94 - 292 (24 1-00) (31Ja90) BET PLC5% Perp Deb Six - £48 BhS PLC7%% Mitg Deb Six 94/98 - £76 7 BICC PLC5%% 2nd Cum Pri Six £1 - 50

(28,1490)
7% Deb Six 6570 - 195
7% Deb Six 6570 - 195
M Group PLC-4.6p (Net) Circ Circ Red
Pri 20p - 125 (26,1490)
(20,1490)
(20,1490) (30,1490) 12%% Uns Ln Stk 2012/17 - 299% S.G. hapmational PLC 12%% Uns Ln Stk \$2/98 - £98 (26,1450) IP PLC 7.5p(Net) Cnv Cura Red Pri 10p

\$7.98 - 236 (26),650) STP PLC 7.5p(Net) Cnv Cura Red Pri - 100 (31),650 STR PLC ADR (4:1) - \$28.5 (31),690; Ballay(C.1), PLC 75" Ord 10p - 25% (30),650) (30,1890) Berr & Wallace Amold Trust PLCOrd 25p - 580 (29.1±90) Batleys PLC 10% Cum Prf 21 - \$5

Warrants to sub for Ord - 3% 10,75% (Net) Criv Cum Pri 21 - 70 70 1 1 Boulford PLC7p (Net) Cum Cnv Red Pri 10p - 89 (31Je90) Boger PLC8.67% Cum Red Pri £1 - 74 6%% Cov Uma Lo Sik 2000 - £116 eliway-PLC9.5% Cum Red Pri 2014 £1 d Cusicest PLC75/% Uns Ln Stk

8792 - 2894
Blackwood Hodge PLC9% Curn Red Prf 51 - 79% 90 (234-90)
9% Uns Ln 98; 55/90 - 293 (264-90)
9% Uns Ln 98; 55/90 - 293 (264-90)
Blue Arrow PLCADR (10:1) - 51/4%
Blue Circle Industries PLC5% 2nd Deb 96; 1984/2009 - 255 (204-90)
Society PLCADR (4:1) - \$30.32 (26-1-90)
Booticherry) & Sons PLCCurn Prf (5.25%)
51 - 55 (S04-90)
Boots Co PLC7%% Uns Ln 98; 58/93 - 284 (313-90) £84 (31Je90) Oweter Industries PLC 4.35% Cum Pri £1

200 (1-100 pt 1-100 p 7%% Uns La Sik 2002/07 - 256% 7%

(S1.les)
Sridport-Gundry PLC6% Cum Pri £1 - 50
British Alrways PLCADR (10:1) \$33,96867 4
British Alcan Aluminium PLC10%% Deb
Sts. 2011 - £350
10%% Deb Sts. 89/94 - £32%
British-American Tobacco Co Ld5% Cum British-American Tobacco Co Ld 9% Cum
Prf Stk 21 - 50
6% 2nd Cum Prf Stk 21 - 58
British Fittings Group PLC5.5% Chv Red
Prf 21 - 82% 3 (231,890)
British Stoce Corp Hodgs PLC7% Uns Ln
Stk 65/90 - 257 (31,890)

Six 65:50 - £91 (\$71.890)

Fittish Steel PLCOrd 60p - 131 2 2 .367
.3675 % \$ 3 \$ % \$ 4 \$

ADR (10:1) - \$21 % 2 %

Idtish Sugar PLC 10% Red Deb Six 2013 - £90% 1 (\$71.890)

roadstoner Hidge PLC 6% Cum Prf £1 - 63 m & Jackson PLC10.75% Cay Cum Prf £1 - 102% 3% (31Je90) ryent Group PLC8% Cum Prf £1 - 74 Bryant Group PLC8% Cum PT 21 - /* (31.89) Bulgin(AF.) & Co PLCOrd Str. Sp - 79 S Bulgi PLC7% Cny Uns Ln Str 95/97 -

Burst PLC7% Gre Une Ln Sik 95/97 E77 7

Burhdene Investments PLC 16% Une Ln
Sik 2007/12 - 2102 (30Je90)

Burton Group PLCWist to Sub for Ord She
1991 - 19 (29Je90)

6% Cre Une Ln Sik 1996/2001 - 294 5

Butler's Ld7%* 1st Mig Deb Sik 65/30 1991 (26Je90)

CH Industriete PLC5%* Curn Red Pri 21
- 85% (23Je90)

CRT Group PLCOrd 10p - 63% 5 7 8

Cathury Schweppes PLC6%* Une Ln Sik
94/2004 - 280 (26Je90)

Ceird Group PLC7p Curn Cire Red Pri
2009 10p - 117

Canadian Overs Peck Industr LdCorn Nev
- 57.3 - \$7.3

121/% Subord Unis Lin Str. 2004 –
21011 % %
Royal Bank of Scotland Group PLC
Warrants to sub for Ord – 81 (25)4850)
Schroders PLC6%% Unis Lin Str. 97/2002
– 277 (30,1880)
Standard Chartered PLC12%% Subord
Unis Lin Str. 2002/07 – 256%
TSB Group PLC10%% Subord Lin Str.
2003 – 288
TSB Hill Sernuel Bank Holding Co PLC6%
Unis Lin Str. 68/94 – 255 (31,1890)
Warburg (S.G.) Group PLCCnv Dtd 25p –
250 (31,1890)
7%% Cum Prf £1 – 78 (30,1890)
Wells Fargo & Company Shis of Com Str.
\$5 – \$56,1150 ,2250
Wintrust PLC10%% Cum Prf £1 – 113%
(31,1890) - \$7.3
Cenving(W.) PLC7X% Uns Ln Sk 88/83 - 88 STL98/0;
Capero Industries PLC8.75p Dividend Criv Curr Red Pri 20p - 140\text{\$\text{\$\text{Curr Red Pri 20p}\$} - 140\text{\$\text{ 100 (25.690)
Chennel Tunnel Inyestments PLC5p - 118
Charringtons Industrial Hidgs Ld10%%
Uns Ln Six 93/98 - 250 (31.690)
Charter Consolidated PLC2p(Br) (Cpn 51) herter Conscitoreeu -457 (30,890) Atvision PLC8,5%(Net) City Cura Red Pri Breweries and Distilleries Alied-Lyons PLC5%% Cum Pri £1 - 40 7%% Cum Pri £1 - 68 70 4 6% Red Deb Sik 67/92 - £84 5 is Petons PLC6%% Uns Ln Stk.

2002/07 - 262% 7%% Uns Ln Sok 90/95 - 276 9 % 0815 Viyella PLC4.9% Cum Pri £1 - 48 Costs Viyella PLC4.9% Curn Pri £1 - 48 (261e90) Coloroli Group PLC3p Curn Res Pri 2005 10p - 60 Cooper (Frederick) PLCs (Fred City Peo Curn Pig Pri 10p - 84 (31.1seg); Courtands PLC7%% Deb Stk 89/94 - 285 55% Uns Ln Stk 94/96 - 2716; 55% Uns Ln Stk 94/96 - 273 (31.1seg); 7%% Uns Ln Stk 94/96 - 278% 9 7%% Uns Ln Stk 2000/05 - 273 3 (21.1seg)

(\$1.480)
Coverings Groot PLC10%% Cum Prf £1 - 90 108
Crystalata Hidgs PLC8%% Cnv Uns Ln \$0: 2003 - 287
DRG PLC7%% Uns Ln Sit 88/91 - 298 (\$1.4890)
Delgety PLC4.86% Cum Prf £1 - 58 (\$0.4890)

(30,080)
Davies & Metcalfe PLC"A"(Non.V)Ord 10p
- 245 50 (30,080)
Debenhams PLC95% Uns Ln Stk 88/91 255 8 (31,490)
7%% Line Ln Stk 2002/07 - 285 (29Ja90) 7%% Uns Ln Stk 2002/07 - 271 (29,1690) Delta PLC3.15% Curt 2nd Pri 21 - 41

Deta PLC3.15% Cutil 2nd PM 27 - 41
(29.169)
71% Det Sti. 85/90 - 290 (29.169)
10%% Det Sti. 85/90 - 297 (30.169)
Denours PLC6.25% Cutil City Red Pri 21
- 122 (31.169)
Dewhurst PLCOnd 10p - 73
Down Group PLC7% City Cutil Red Pri 21 - 108 10
Egerton Trust PLC9.75% 1st Cutil Red Pri 21 - 90 (29.169)
Elloq(8.) PLC7% City Cutil Red Pri 21 - 90 (29.169)
Elloq(8.) PLC7% City Cutil Red Pri 21 - 91

91 81% Deb Six 89/93 - £38 % (29,1e90) 7%% Deb Six 90/95 - £39 % (29,1e90) uro Disneyland S.C.A. Sha FR10 (Depositary Receipts) - 940 40 2 7 50 5

7.6% 1st Mtg Deb Sik 8994 - £83 (28.199)
Seagram Dissiliers PLC12%% Deb Sik 2012 - £102% (29.199)
Shrawsbury & Wem Brewery Co Ld4% Ind 1st Mtg Deb Six - £30 (30.1960)
South African Broweries Ld6.2% Cum Prf R2 ~ 11 (30.1950)
Vaxx Group PLC9.875% Deb Six 2015 - £80% % (29.1950)
10.75% Deb Six 2019 - £85 % % (30.1950) 5 She FR10 (Br) - FR90.8 1 2 European Home Products PLC6%% Cum Red Pri 2001/05 £1 - 85© 5%% Cnv Cum Red Pri 2008/11 £1 - 70 res leon Nt. 75% D83 Set ATH + 100 76 76 (30 Ja90) Wathey, Mann & Truman Hidgs PLC 7% Red Deb Set 88/93 - 282% (31 Ja90) 7%% Red Deb Set 87/92 - 296 (31 Ja90) 12 %% Red Deb Set 2008 - 2103% Whiterpad & Co PLCB Ord 25p - 211.8 (26.1e30)

Brotumer PLC/Eurotunnel SAUnits (1

BPLC Ord 40p & 1 53A FR10) (8r) -
FR60.3 61.3 (30.1e80)

Units (Scovern Inscribed) -- FR61.3

(30.1e30)

C-Lands PLC Werrants to sub for Sits -
de 50e 1e30 #Intoread & Co PLCB Ord 25p - \$11.8 (\$1.1960) 6% 3rd Cum Prf Set £1 - 56 (31.1960) 7% 3rd Cum Prf Set £1 - 70 7% 3rd Cum Prf Set £1 - 70 7%% Uns Ln Set \$9593 - £74% 5 7%% Uns Ln Set \$96/2000 - £78% 9% Uns Ln Set \$7/2007 - £83 (30.096) 10% Uns Ln Set \$200005 - £34

45 (23)49()
Excalbur Group PLC 11.5% Cure Pri E1 — 100 (30)49()
Executex Clothes PLCCord 20p — 83Φ
Ferranti International PLC5.6% 1st Cure Pri E1 — 70 (31)49()
Finley(James)PLC4.2% Cure 2nd Pri Stk 51 — 56 (26)49()
Fisher(Albert)Group PLCADR (10:1) — \$20%
P8078 PLCADR (4:1) — \$22.02 (30)49()
53% Uns Ln Stk 2004(09 — 258 (30)49() 5% Uns Ln 300 Abraham - (301a90) Ruor CorpCom \$0.825 - 221% (31Ja90) Folkes Group PLCOrd \$0 - 65 Ford Motor CoBdril (20th Sh Net West Bank) - £1.35 (28Ja90) Forminater PLC11% Cum Pri £1 - 105

Sanky - 1.05 (26.18%)
Forminister PLC 11% Curn Pri 21 - 105
(30.1850)
Foseco PLC 4%% Curn Pri 11 - 59
Friendly Hotels PLC 4%% Crv Curn Red
Pri 21 - 105 (3.1840)
5% Crv Curn Red Pri 21 - 165 7
7% Crv Curn Red Pri 21 - 105 %
(30.11 (United Kingdom) PLC 10%% Ged
Drb Sit 8075 - 294 (3.1870)
10%% Gid Deb Sit 82787 - 296
(31.1850)
General Electric Co PLC ADR (1:1) \$3.870
7%% Une Ln Sit 8782 - 284
7%% Une Ln Sit 8782 - 287
General Instrument Corp Sit of Corn Sit

The same are set on the control of t

S27.5-9059-1-93009-1
Grand Metropolium PLC6K% Carn Prf £1
- 809Grant Universal Stores PLC6K% Red Unis
Lin Six - £44 (26Ju80)
3K% Unis Lin Sis 9396 - 231 (31Ju80)
Hanover Druce PLC6.75% Civ Curn Red
Prf £1 - 734 (26Ju80)
Hasbro Inc6fus of Com 30k 60.50 - £10%
(26Ju80)
Hawker Scideley Group PLC5X% Curn
Prf £1 - 50 (31Ju80)
7 % Deb Six 6732 - 285 (31Ju80)
Haigh Gostorth Park PLCOrd £1 - \$32
(20Ju80) (30.1e90) History Hidgs PLGADR(4:1) - \$15% (30.1e90)

Honda Motor Co LdShs of Com Str Y50 -Y1535.4 804.57 24.51 5.032 7.378586 Hopkinsons Hidge PLC5.25% Cum Prf £1 - 57 (31.950) House of Praser PLC6% Mig Deb Str 58461 - 201 ros ind6% 88/81 - 1291 (29/1490) 8 % Urs Lin Sik 93/98 - 231 % 2% funterprint Group PLC6%% Cnv Cum Red Prf St - 53 5 (28/1490) MJ PLC7%% Urs Lin Sik 88/91 - 1287 (30.la90)
Celend Frazen Foods Hidge PLCCrw Cum
Red Pri 20p - 83 5
Ohnson 8 Firth Brown PLC11% Une La
Six 83/98 - 288 (30.la90)
7.5p (Net) Crw Cum Red Pri 10p 1200 40

n,Matthey PLC8% Cnv Cum Prf £1 - 570
8.1% Mig Deb Sik 85/95 - 286 (28.le90)
Kayeer Bondor Ld6% Red Cum Pri Sik 21
- 55 (31.le90)
Kenning Motor Group PLC5%% Cum Pri
£1 - 80 (31.le90)
7% Cum Pri £1 - 66
Kappel Corporation Ld Crd \$\$1 - \$3.838
\$\$7.011225 .014395 .01705 .038662 .1 nene Corporation Shs FM20 (Unrestricted) - FM119 (31Ja90) Ladbroke Group PLCADR (1:1) - \$5.24

(30,1e90) 8% Grd Uns Ln Sik 90/92 - 290 Lamont Hidgs PLC 10% 3rd Cum Pri 21 -90 (31,1e80) |JESU) | PLC8% Deb Stk \$3/98 - £81 % Laporite PLC5% Deb Six 93/58 - £81% 101% Deb Six 94/59 - £90% (29/68/0) Leisure investments PLC7% Cum Criv Red Prt (33/68) S1 - 48 (23/590) Elevis John Partnership PLC5% Cum Prt Six £1 - 46 (23/590) 71% Cum Prt Six £1 - 70 (30/590) Les Service PLC6% Cum Prt £1 - 57 (30/690) 85% Una Ln Sek 92/97 - 280 (30Ja90) Life Sciences International PLCS% Cum City Red Pri 21. – 225 5 Lify (ER) & Co She of Com Six NPV ~ \$61,89792 CILLEGE

\$61,89792 (30,1e90) ister & Co PLC5% Prt(Cum)£1 - 54 (31Ja90) Lloydf, H.Ntdgs PLC7%% Une Ln Stk 81/91 - 256 (31Ja90) London International Group PLCADR (5:1) London international Group PLC ADR (5 - \$18% (31Ja90) London PLC 10%% 1st Mbg Deb Sik \$7/2002 - \$90% (25Ja90) Lookers PLC6% Cnv Cush Red Prf 21 -\$7 (25Ja90) [molitims A -87 (29.1897) Low(Wm) & Co PLC6.75% Cum Ciry Red Pri £1 – 156

Pri S1 - 156 Lowe(Robert H.) & Co PLC87.5% (Net) Criv Curn Red Pri 10p - 47% Lucas Industries PLC10%% Lins Lin Stic 92/87 - 594%, 5 % (31.1480) MB Group PLCWarranta to sub for Ord McCarthy & Stone PLC8.75% Cum Red Pri 2003 E1 - 77% % 8 7% Cnv Lins Ln Sik 99/04 - 265 lagnet Group PLC7.5p (Net) 1st Red Pri

7% CNV Uns Lo Six 9904 - 295
Magnet Group PLC7.5p (Net) 1st Red Pri
50p - 8
Mecca Leleura Group PLC7.25p (Net) Cnv
Curn Red Pri 20p - 91 .3 .409 % % .908
2 2 3 3
Madeva PLCNew Ord 10p
(Fp/PAL-29/290) - 101
Warrants to sub for Ord (Ex Rbs) - 70
(31 Js80)
Metal Closures Group PLC6% Curn Pri 21
- 60 - 60
Mitel Corporation Com She of NFV SC2% (26Je90)
Mitsubish Electric Corporation She of Cont
Sit Y50 - Y102.712454 10
Monsento Co Com Sit 82 \$105.2714680
Monsento PLC6X% Gtd Ln Sit 82/97 \$88
Monsent Charlest

Mount Charlotte Investments PLC 10%% Mount Charlotte Investments PLC 10%%

1st Mtg Deb Stk. 2014 — £29%

NCR Corp.Com Stk. 25 – \$66 (23/la90)

NCR Ld8%% Gtd Ln Stk 93/88 – £78

NMC Grup PLC Werrants to sub for Shs

— \$0 1/4 (28/la90)

NSM PLC 8.50 (Net) Crv Cum Red Pri 10p PLC6.775% Cum Prf £1 - 80

stional PLC7% 1st Cum Prf Et - 63 (31 Ja90) 8% 2nd Cum Prf £1 - 73 (31 Ja90) Next PLC 10% 8" Cum Prf 50p - 39 (26Ja90) Normans Group PLC8%% Cnv Uns Ln Sik 99/04 - 275 7 Norsk Deta AS Class '8" (Non Vig) NIC20 -NIC35 % 8

NICS Y 8
Northern Engineering Industries PLC
5.375% Cum Prf £1 - 70 (231450)
8%% Uns Ln Sk 88/93 - 552 (301450)
9% Uns Ln Sk 98/95 - 253 (301450)
9% Uns Ln Sk 98/95 - 253 (301450)
0.K.Bazzara(1925) Ld5% 1st Cum Prf R2
- 10 (301450)
Cosonics Group PLCWarrants to sub for Ord - 15 (311450)
PG Hodgoon Kenyon Intl PLC8.75% Chv Prf 91/2001 10p - 75 80 (301450)
Resembant Communications Inc.Com Six \$1 - 225,692583 (30Ja90) MidBid Group PLC Curn Flad Pri 2010/18

**
Rank Organisation PLCADR (1:1) - \$1\$.81
(31.la90)
Renics Hovis McDougai PLC9% Cum 1st
Prf £1 - 56 9
6% Cum "A" Prf £1 - 57 9
6% Cum "B" Prf £1 - 53 (31.la90)
6% % Uns Ln Sek 90/94 - 284%
(29.la90)
8%% Uns Ln Sek 91/95 - 286% 7%
con teody

(30Ja90) ansomes PLC8.25p (Net) Cum Cnv Pri

Raracomes PLCB.25p (Net) Cum Criv Prf 12 5p - 98 Painers Group PLCADR (3:1) - \$12.80 6.75p Criv Cum Non-Vrig Red Prf 20p -99 % % 100 11 Readicut International PLC6% Cum Prf 50p - 23 Reed International PLC4%% Cum Red Prf 21 - 41 (23.690) Renold PLC7%% 2nd Deb Stk 92/97 -273 (31.690) 8% 1st Deb Stk 91/96 - 280% (30.690) Richards PLC4% Cum Prid \$1 - 39 (31.690)

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SD-Scicon PLC6.5% Crty Cum Red Pri 21

S124
Sainsbury(J) PLC6%% 1at Mtg Deb Stk
8893 - 291%@
7%% 1at Mtg Deb Stk 87/92 - 289
225.1a90)
Sanderson Murray&Eder(Hidgs) PLCOrd
50p - 195
Savoy Hotel PLC'95* Ord 5p - £140.3
(31.1a60)

(31,1e90) Icentronic Hidgs PLC7.25p (Net) Cov Cum Red Pri 20p - 123 5 (29,1e90) 5,75% Cov Cum Red Pri £1 - 209% 30 biological Pri £2 - 209%

(29Je90) Sears PLC12%% Cum Prf £1 - 110

(30Ja90) 7%% Uns Ln Sak 92/97 - 577% (31Ja90)

73 % Une Lis Sax 1804 - 1777 (3.1.189) Shapite Group ELC77% Une Lis Sek 2003/06 - ESS (3.1.189) Sindsit (Witsen) PLC5.525% Cnv Cum Red PH 51 - 102 (30.189) Sinder PLC77% Cum Pir 51 - 70 (371.189) Smith (N.H.) Group PLC36 Ord 10p - 63 5% Red Une Lis Sek - 247 51 (30.189)

(30.1e90) Smith Gine Beecham PLCADR (5:1) -548,73 Smith Gine Beecham PLC/Smith Gine ADR

(1:1) - \$42 .23 Smartikletterson\Group PLC10% \(\) Uns Ln St. 7595 - 1235 (23.le90) 9% \(\) Crv Uns Ln Nt - 18205 (23.le90) 96% \(\) Crv Uns Ln Nt - 18205 (23.le90) 968-100, \(\) & Soms PLCOrd 25p - 255 (31.le90) 900 Hidgs PLCOrw Cum Red Pri 20p -63 Step Further 1820 - 120

Stag Furniture Hidge PLC 11% Cum Pri 21

Sag Pursule Program Colling Co

T & N PLC IN. The mag beaut also borro -\$20 (31,190) 11% Mag Deb Sik 95/2000 - £95 7 (30,1950) Tarmac PLC7% Deb Sik 87/92 - £28% (26,1950) 7/% Deb Sik 82/97 - £77 (31,1990) 8%% Una Lri Six 90/95 - £36 (31,1990)

ntis to sub for Ord - 90 & Sastohi Co PLCADR (3:1) -

PtgRedPrf \$0.05 Cl C(US\$ Bonds) -\$7.74 6.05 1 \$0.05 Ct M(US Equition) — 28.3 8.63 Greece Fund LdShip \$0.01 (IDRs to Bit) -\$1475 1575 (28.la90) £1 - 86 arkland Textile(Hidgs) PLCOrd 25p - 253 Depository Warrants to sub for Shs \$105 105 115 (28)49(0) Suinness Flight Global Strategy FdPtg Red Prl \$0.01(Global Bond Fund) — \$27.80 Pevilion Leisura Hidgs PLCOrd 10p - 75 · % 9 Pearson PLC13.825% Uns Ln Sik 2007 - £106% 2108% 5%% Cum Pri 21 - 92% (28Ja90) Patigrum PLC6% Cum Pri 50p - 25 (26Ja90) Queens Mora Houses PLC10%% 1st Mag Deb St. 2020 - 285% % % REA. Hidgs PLC9% Cum Pri 21 - 75 (26Ja90) RPH Ld4%% Une Ln Stk 2004/09 - 236 (31Ja90) Highcroft Investment Trust PLCOrd 25p ~ 268 (31Ja90)

G0.159

Highcroft investment Trust PLCOrd 25p - 258 (31Ja90)

HS Samuel International Bond Fund Ptg
Red Ptf \$0.01(US\$ Managed Sha) - \$7.5807 (30Ja80)
Incheape PLC12%% Uns Ln Sik \$3986 - \$1017 (25Ja90)
International City Hidge PLC3%% Crv
Cum Red Ptf \$1 - 55 (30Ja90)
Int Stock Exchange of UK6Rep of Ir Ld
7%% Mtg Deb Six \$0095 - \$79 (30Ja80)
10%% Mtg Deb Six \$0095 - \$100 - \$1000 - \$1000
10%% Mtg Deb Six \$0000 - \$1000 - \$1000
10%% Mtg Deb Six \$1000 - \$1000 - \$1000
10%% Mtg Deb Six \$1000
10 (31Ja90)
9% Uns Ln Sit 99/2004 - £77 9
Racal-Chubb Ld9% Uns Ln Sit 92/95 - £90 (28Ja90)
Racal Betronics PLGADR (2-1) - \$7.2 .22
23 % 28 .29 .3 .32
Racal Telecom PLGADR (10-1) - \$59 % %

- 76 (31Ja90) NRM Britarnia Jersey Gilt Fund Ld Ptg Red Pri 1p - 16.67 (30Ja90)

MBM Britarsts Jersey Gift Fund Ld Prg neu Pri 1p - 16.67 (20.080) Mataystan Smaller Cos Fund (Cayman)Ld Ord 50.01 - 510 10% (30.080) Mercury Ottshore Starling TrustShs of NPV(European Fund) - 126.6 (31.080) Shs of NPV(Fucilic Fund) - 127 (31.080) Mercury Selected TrustShs NPV Singapore & Malaysian Fund(Reg) -\$10.86 (31.080) Metzanine Capital&inc Tet 2001 PLCinc Shs 21 - 140

Shis £1 - 140 National Home Loans Hadge PLCOrd 15p - 132 7.5% Cnv Prf £1 - 82* 7.375 UNIV PTI TI = 82* Old Court International Reserves Ld Ptg Red Prf \$0.01(Sterling Sha) = 227.242 (30,980) Opono Growth Fund Ld Ptg Red Prf \$0.01 (81) = \$31.49 Reneispance Middle St CA 554, Con Line Ld

Uporto urowin Fund Ld Pig Red Pri \$0.01 (Br) - \$9%#9
Reneissance Midge PLC8.5% Cmy Une Ln Six 1984 - 190 (20.1890)
Stam Smaller Compenies Fund LdOrd \$0.01 - £10 \$ 10k 10% 10% Sines Darby Berhed\$M 0.50 - 87 (31.1890)
Singapore SESDAD Fund Ld Wits to sub for Shs - \$6 (29.1890)
Smith New Court PLC 12% Subord Une Ln Six 2001 - £84 (29.1890)
TR Worldwide Strategy Fund Sidev Shs NPV (Muttl-Currency Band Fund) - 116.8 (31.1880)
Thei Investment Fund LdPtg Red Pid \$0.01 - \$11 118.9 (37.889)
Thei Investment Fund LdPtg Red Pid \$0.01 - \$11
That Prime Fund LdPtg Red Pid \$0.01 - \$26% 26% 26.55 (26.980)
Thatland International Fund LdPtg She \$0.01 (0.07% to 84) - £18%
Thomton Pacific Investment Fund SA Warrants to sub for she - 630
31 PLG7%% "A" Deb Sk 88/82 - £85
7%" A" Deb Sk 91/94 - £286 (30.1890)
Value & Income Trust PLCWarrants 88/94
to sub for Ord - 14 (26.1890)
Whitipreed Investment Co PLC8% Deb
Sk 87/92 - £25% (30.890)

insurance No. of bergains included 585

Commercial Union Assurance Co PLC5% Cum Red Pri 89/2009 £1 - 55 (51 Ja90) General Acc Pre&llife Asso. Corp PLC 71/5 Uns Le Str. 67/92 - 2841/s (30,1897) 17% Uns Ln Str 92/97 - 281 Guardan RoyseExchange Assuran 7% Uns Ln Str 86/91 - 288 %

Investment Trusts No. of bargains included 783
Abtrust New Dawn Inv Trust PLC Ord 25p - 136 8 8 9

Abtrust New Dawn Inv Trust PLC Ord 25p

- 136 8 8

Warrents to sub for Ord - 93 6%
Abtrust New Thai Invest Trust PLCOrd
25p - 96

Warrents to sub for Ord - 49 53
Besite Officer Shin Mispon PLC Wierrants
to sub for Ord - 29
Berikers Investment Trust PLC 10%% Deb
Six 2016 - 257% (31Je80)
British Aserts Trust PLC Equities Index
U.S 2005 10p - 118
British Empire Sec 8 General Trust 10%%
Deb Six 2017 - 224% % 5% (20Je80)
British Investment Trust PLC 11.25%
Secured Deb Six 2012 - 294 (20Je80)
Ord 25p - 5900
City Officeral Investment Trust PLC-Ord
inc 5p - 50

Quinelin Worldwide Inv Trust PLC-386%
Edinburgh Investment Trust PLC-386%

F.S.C. EUROPEAN.
1996 - 2292
F.S.C. Pacific Investment Trust PLC
Warrants to sub for Ord - 1299
Warrants To Sub for Ord - 1299
Warrants To Sub for Ord - 1299 Warrants to sub for Pith Throgmotion Co Ln Stk 2003 – £35

First Scottlish American Trust PLC32%
Curn Prf Sis. – ESO (254850)
First Spanish Inv Trust PLC7Warrants to
sub for Ord – 43 5
Hesting Far Eastern Inv Trust PLC4%%
Curn Prf 21 – 48 (30480)
5% Curn Prf 21 – 51 (30480)
Gartnore Embrying Paolific Inv Tst PLC
Ord 107 – 86%
Wernants to sub for Ord – 25
Gartnore Value forestments Rt CZero o can Trust PLC3%%

warrants to sub for Ord – 25
Gertmore Value investments PLCZero
Dividend Prt 10p – 55½ ½
12.34% Deb Stk 1955 – 295% №
12.34% Deb Stk 1955 – 295% №
Warrants to aub tor Ord – 165 70
Glesgow Income Trust PLCWerrants to
sub tor Ord Warrants to the Trust PLC 10% Deb Sit 2016 - 226 11%% Chr Una Lin Sik 90195 - 2390

(28,480)
Govert Strategic Inx Trust PLC9%% Deb Sit 2017 - 582% (28,480)
Investors Capital Trust PLC5%% Cum Pri Sit - 253
Keinword Overseas Inv Trust PLC4% Cum Pri Sit - 258
Keinword Overseas Inv Trust PLC4% Cum Pri Sit - 258 173-25 POLY AND STATE TO STATE azard Select investment Trust LdPig Red Pri 0.1p Japan Index Fund - 210.95 (28.1e80) (28,1a90)
Levaraged Opportunity Trust PLCZer Cont.
Criv Uns Lin Stit 98-99 – 2700
London&Hew York Convertible Tst PLC
Ord 10p – 1700 (29,1a90)
London & St Lawrence Investment PLC
Ord 5p – 114 (26,1a90)
Martin Intl Green Inv Tst PLCOrd 25p – 94
Warrants to sub for Ord – 28

Warrants to sub for Ord - 28
Molitimust PLCWarrants to sub for Ord - 3 (31Ja90) New Guernsey Securities Trust Ld Ord 25p New Guernsey Securities Trust Ld Ord 200 - 77 Northern Indust Improv Trust PLCOrd E1 - 407 (30.480) Filver Bit Mercardie Trust PLC8% Deb Sit 89/84 - 290 (30.480) River Pitre & Gen Invest Trust PLC4% Deb Sit Ind - 238 Scottleh Cities Inv Trust PLCOrd Sit 25p - 880 (30.480) Scottleh Eastern Inv Trust PLC94% Deb Sit 2020 - 281%

Scottish Eastern Inv Trust PLC94% De Six 2020 - 281% Icottish Mortgage & Trust PLC8-12% Stepped Int Deb Six 2026 - 294 % © 749 8%-14% Stepped Interest Deb Stk 2020 -- £113% (30,1290) Ires Investment PLCWizments to sub for Strings Investment PLCWarrants to sub fo Ord - 44% (28)-890) TR City of London Trust PLC10%% Deb Six 2020 - 295% (20)-890) Updown investment Co PLCOrd 25p -418 20 (29)-890) Varietys Societies PLCWarrants to sub for Ord - 70 (28)-890 Witan Investment Co PLC8% Deb Six 98/89 - 277% (31,1890)

Unit Trusts No. of bergeins M.& G. European Dividend Funding Units ,m Units – 51,3 (31Je90) Gold & General Funding Units – 62 M.& G.Gold & Ga

M.A.G. Interrugional Income Funding Units - 72,1 6.2 Mines - Miscellaneous ngto Arteiteri investment Trust Ldt Cum Pri R2 – 10 (30Js90) serco incCom 8tk MPV – \$A1.82 (31Js90) otswene RST LdPu2 – 37 (30Js90)

u Beers Consolidated Mines Ld Did 80.05 (Br) (Cpn 89 - £11.05 (1.1 SF28,1 28,14 ST-03-1 20.14
S Oro Mining&Exploration Co PLCOrd
10p - 405 15
Europa Minerale Group PLCOrd 2p -- 91 2
(31.180)
Majartic Hyprade Gold Mines(Canada)Ld
Sits of NPV - 14.32 (29.1800)
Plateau Mining PLCOrd 20p - 86 92 e Exploration Co PLCOnt

New Ord 20p (NE Pd-14/2/90) - 0% 2 TZ Corporation PLC3.326% "A" Cum Pvf E1 - 44 Waverley Mining Finance PLC Werrants to sub for Ord - 28 (26,bs9) Willoughby's Consolidated PLC Pid 1p -56 (23,bs90)

Mines - South African Barneto Exploration LdOrd NO.01: - R89-Johannesburg Cord Syrest Cort.d NO.10 -29 (30.1-90)

Lebows Papertam Mines Lorer HUM — 180 (28.180) Undum Reefs Gold Mining Co Ld Ord R0.01 - R4.5120140 New Central Witwelerstand Areas Ld R0.30 - £70 (27.1680) Northern Platinum Ld R0.01 - \$8% R 29.05 Northern Pletinum La Fit 29.1 29.2 p 525 37% ngs LdOrd She of NPV -Oryx Gold Hold 162% 250 ital Coal Corp Ld R6.50 - 130

Oil No. of bargains included 2473 British Petroleum Co PLCWarrants to purchase ADS - \$7.10779 7%9 9% Cum 2nd Pri 21 - 30 (26.659) Burmah Oil PLC7%% Cum Red Pri 21 -

LASMO PLC10%% Deb Stk 2009 - 198% % 76 Shell Transport&TradingCo PLCOrd Sha (Br) 25p(Cpq 183) - 482 90

Property No. of bergelns included 470 FILEPOTILIT NO. OI DETGETS INCHORE AT LANGUAGE AT LANGUAGE PLC 10% 1st Mag Deb Six 2025 - 265% (30,1890) Allnest Landon Properties PLC 9% 1st Mag Deb Six 96/2001 - 283% (20,1890) Bradient Property Trust PLC 10%% Cum Pri £1 - 105 (23,1890) Braten Entate PLC 10%% IstMitgDebSix 2012(23,076,-86/90) - 2281/49 11.75% 1st Mag Deb Six 2018 - 296% (20,1890)

Capital & Counties PLC4.2% Cum Prf £1 Capital & Countless PL,C4.2% Cam PT ST - 50
9 %% 1st Mag Deb Sik 2027 - 282% P
9 %% Une Ln Sik 9106 - 285 6
Charlwood Aliance Hidge Ld71/% Une Ln Sik 50p - 321/
City Site Estates PLC5.25% Cnv Cum Red Pt S1 - 72 7 9
7% Cnv Une Ln Sik 2005/06 - £110
Dares Estates PLC7.75% Cnv Cum Red Pt S1 - 53 4.4 % 5 6
Grost Portland Estates PLC9.5% 1st Mag Deb Sik 2016 - £39%
Greenhavet Securities Ld71/% Une Ln Sik 91/96 - £30
Hartmerson Prop InvåDev Corp PLCOrd 25p - 634-98169
Land Securities PLC6% 1st Mag Deb Sik 88/93 - £82% [31/850]
7% 1st Mag Deb Sik 91/96 - £80
[26/850]
9% 1st Mag Deb Sik 98/2001 - £94%
[25/850]
9% 1st Mag Deb Sik 98/2001 - £94%
[25/850]

(29Ja90) 8%% Una Ln Sik 92/97 - £82%

GTTP WITE LT SIX 52/9/ - ESE% Landon&Prov Shop Centres(Hidge)PLC 10% 1st Mig Deb Six 2026 - ESE% MEPC PLC9** 1st Mig Deb Six 57/2002 - 268% 7 10%% 1st Mig Deb Six 2024 - ESE% % .8 3% Uns Ln'Six 2000/05 - 272**0** 10%% Uns Ln Six 2022 - 280% % % 6%% Cnv Uns Ln Six 95/2000 - £145

50 Mertin intermetional Properties Ld Cum Ped Cnr Pri \$1 - 42% (29Ja90) Metropolitan Riy Surplus Lands CoLd 6%% 1st Mitg Deb Sik 98/81 - £90 rn 1-96 (30.Ja90) ucklow(A-8 J.)Group PLC7% Cum Pri 21 - 60 (31.480)
P & O Property Holdings Ld 9% Une Ln
Stx 97/99 - 255 (31.890)
Peel Hidge PLCS.25% (Net) Cnv Cum
Non-Vig Pri 21 - 31 (23.480)
9%% 1st Mig Dab Stx 2311 - 252 %
Peel South East Ld 8%% Une Ln 8% 87/97
- 250
Power Corporation PLC New Ord Int 20.10 - 12.1
Recta Property Hidde PLC 8%% Grd Une

192.1
Pages Property Hidge PLC85% Gtd Une
Ln Std 1997 – 521
Spoyhewk PLC8,79% Gum Red Prf 2014
£1 – 91 X (30.480)
Thereis Company PLC25p – 270 (30.489)
Tozer Kerneley-Skillbourn Estates PLC
51% Cum Prf £1 – 60 (31.480)
Trafford Park Estates PLC 111% 191 Mitg
Deb Stk 2007718 – 255 (30.4850)
United Kingdon Property Co PLC.55%
Une Ln Std, 2000/05 – 277 (30.4890)

Plantations
No. of bargains in Chilington Corporation PLC Did 25p - 82 (30,460) 95% Cum Red Prf 21 - 85 (31,460) Narborough Plantations PLC Ord 10p - 30 - 6

Padeng Seneng Hidge PLC 10p ~ 72 80 Railways No. of bergeins included no Ontario & Cuebec Reliwey Co 5% Perm Deb States Gtd by C.P.) - 230 (26.1890) Cuebec Central Reliwey Co 1st Mtg Deb SelgGtd by C.P.) - 230 (26.1890)

Shipping No. of bargains included 223 Bergsson d-y AS*8* Non Vig Shs NK5 -NK37* 9 80.137* 9 NSC PLCVar Vig Ord Sp - 240 1 % 2 % 4 4 5

Peninsuler & Oriental Steam Nev Co Warrants to purchase Old Sik - 145 Utilities No. of bergains included 8

CESC Ld 7%% Cum Pri Rul 0 – 10 GTE Corporation Com Six St. 10 – 551 % Menohester Ship Canel Co5% Perp Pri 21 – 215 16 (26),680) 1st 31% Perp Mig Debs(Reg) – £41 2 (29),890) (29.4=90)
Marsey Docios & Merbour Co5%% Red
Deb Six 94/97 - £55 (25.1=90)
Pacific Gas & Electric CoShs of Com.Six
\$6 - \$21%
Public Service Emergrise Group Inc Shs of
Com Six of NFV - \$25.55 (30.1=90)

US WEST, Inc Sts of Com Stk of NPV -258% (28Je90) Water No. of bargains included 1963

Mid Kart Holdings PLCWarrants to sub for Ord – 83 (26.1a90) Bristol Waterworks Co 4.3% (Pmby 7%Max)Cons Ord Sit – 2450 (26.1a90) 2.8% (Pmby 4%)Perp Pri Sit – 2230 (26.1a90) Cambridge Water Co3.6% (Pmby 5%)Cons Ord Sit – 21850 (29.1a90) 71% Red Dab Sit 88/90 – 296% (31.1a90) Cheater Waterworks Co3.15% (Pmby 48%)Pri Sit – 21275 (29.1a90)

Cheater Waterworks Co.S. 15% (Fmty 4%%) Pri Sit. - £1275 (29.1490)

B% Red Deb Sit. £2194 - £75 (31.1480)

Coine Valley Water Co.3.5% (Fmty 5%) Ord

Sit. - £304 (31.1490)

4.874 (Fmty 7%) Ord Sit. - £300

2.874 (Fmty 4%) Corns Pri Sit. - £300

(30.1490)

Esset: Water Co.3.5% (Fmty 5%) Corns Ord

Sit. - £300 (25.1490)

3.5% (Fmty 5%) Pri Sit. - £230 (29.1490)

11.20% Red Deb Sit. 2005/03 - £37

(30.1480)

11.20% Red Deb Sti: 2005/09 - 237
(30180)
Leo Velley Water Co3.5%(Fmly 5%)Ord
Stic - 2580.8 (25.280)
Mid-Southern Water Co2.45%(Fmly
3%%)Perp Prf Stic - 2230 (23.280)
Newcastle & Gatesheed Visiter Co5%
Cone Deb Stic - 247
North Surrey Water Co3.5% Prf Stic - 2230 (23.280)
Portamouth Water Co3.5%(Fmly 5%)Ord
Stic - 212000
2.1%(Fmly 3%)Perp Prf Stic - 21250 2.1%(Faily 3%-)Perp Pri Stk = £1250 (28Js80)

(28) with (28) with the color of the color o

to a read Deb Sid 92/94 - £88 endring Hundred Waterworks Co77% % Red Deb Sid 91/83 - £80 (31.4950) fredham & East Denb Water Co 4.9%(Fn/y 7%)Cone Ord Sid - £1150 (29.8800) (23,1480)
3,5%(Finity 5%(Cons Pri Sak - 2230)
(28,1480)
35% Cons Deb Sak - 230 (29,1480)
York Waterworks Co Cons Pri Sa(4,2%
Max Finity 6%) - 2230 (29,1480)
5% Deb Sakfird) - 230 (28,1480)

Miscellaneous Warrants enkars Trust International LdWis Rel to Ord She in BP - 20,7

USM Appendix Air London international PLCOrd 5p - 87 8 8 (30,1s90) 8 8 (30,1890) Apolio Metala PLC8p(Net) Cum Cnv Red Pri 10p = 167 (30,1890) Attentic Resources PLCWarrants to sub-for Ord — 80.01 p 0% 1 % BLP Group PLCSe (Net) Cnv Cum Red Prf 10p – 87 (26.480) Barts Holdings PLCOrd 10p – 158 (30.490) Beckenham (2.480)

eckenham Group PLCWarrants to tub for Ord - 25 (31Je90) for Ord - 25 (31)49(5) learnest, Group PLC 12% Cnv Uns Ln Stk 92/97 - 290 (30,1e90) onthental Microwsve (Hdgs) PLC6.0% Cnv Cum Red Prf 2005 21 - 65 8 (293a90) arton Beech PLC7.5p (Net) Chy Cum

orton Beeth Pharton, 1995, 199 Red Pri 5p - 81 sevires Brewery PLCOrd 25p - 512.4 Serius (30,1890) "Ar J.Im Vog Ord 25p - 211.5 (26,1890) "Arasi z. Stranski Resources PLC Ord psend 3 Scattlett Plat 10p – 190 (30Je90)

Omniboth PLC 12% CRY One ST 38 2222

- 593 5

Sevage Group PLC6.5% (Net) Cum Red Cry Pri ST - 59 (\$1Ja90)

Select'Y PLC0rd 1p - 13%

Surrey Group PLC0rd 5p - 18% 3 % 4

Visted Group PLC0rd 1p - 13% 4%

Wyevale Garden Centres PLC8.5% (Net)

Cry Cum Red Pri ST - 130 (30Ja90)

Xtra-Vision PLC0rd ir 20.06 - 93

The Third Market Appendix Poddington PLCOrd 5p - 61 % 2 (30.le90) Royel Sovereign Group PLCCum Cnv Red Pri 2006 25p - 64

ych PLC 12% Cnv Una Ln Stk 2000

Rule 535(2) ins included 45

Aberdeen Trust Hodgs PLCWts to sub for Ord - 20.18 (251896)
Adnests & Co PLC'S' Ord 21 - 219¼ African Gold PLCOrd 1p - 20.18 0.17 0.2 eet Breweries Co LdOrd £1 - £5.8 (31Je90) Footbell Club LdOrd £1 - £3200 Arsenal Footbel Cub LdOrd 21 - 2320 3250 3500 (301860) Audiotaxt PLCOrd 1p - 20.11 (301850) Benyfurst PLCOrd 1p - 20.03 (314890) Brown(A)B Sons PLCOrd 20p - 20.83 (31,1890) (Financial Services) PLC8% Cibs-Gelgy(Financial Services) PLC8% Criv Std Lin Std(81/84) – \$420 Constar Trust LdOrd 25p – \$0.94 Crw Gai in Statistia - 2420
Conster Trust Laford 25p - 20.94
(31.199)
Davison(William)Hags Laford 10p - 23.1
(29.199)
Delphin International Laford 10p - 20.285
(28.1990)
Duncan(Watter) & Goodricke PLC 21 222% (30.1990)
Eastbourns Watterworks Co.2.8% Irrd Pri
25 - 214 (31.1990)
Emerald Energy Laford 1p - 20.085
(28.1990) Emerial Energy LOOK 1p - 30006 (25,1890)
Gander River Resources PLCOrd 5p - 50.12 0,135 (31,1890)
Guernsey Gas Ught Co LdOrd 21 - 25% (25,1890)
Guernsey Press Co LdOrd 10p - 52.3 (23,1850)
Guernsey Press Co LdOrd 10p - 52.55©
Jennings Brow LdOrd 25p - 53.249
Lawrie Group PLCOrd 21 - 221% 3 4
La Richt's Stores LdOrd 21 - 221% 3 4

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La Riche's Stores LdOrd £1 - £4 4 London Fiduciary Trust PLCOrd 10p -£0.21 (30.la90) 20.21 (30.389)
MIM Britannia insensational Ld.Japan Income & Growth – 22.3159
Merrett Hidge PLCOrd 10p – 21.3 (23.889)
North West Exploration PLCOrd 20p – 30 Owl Creek Investments PLCOrd 5p – 20.05 0.05
Paramotem Plant u.up art PLCOrd 2.5p - 20.17 (1.170625 Paramount PLCOrd 2:op = 20.17 t. Protect (31):890 Pttencrieff PLCOrd 10p = 21.1 (26):890 Paragers Poctional Cub PLCOrd 21 = 585 (26):990 Puhasik Hidgs PLCOrd 10p ~ 20.36 on tender (26.1950)
Shooherd Nesme PLC"A" Ord £1 – £6.6
Sincleir Research LdOrd 25p – £0.87 0.87
0.88 (\$1.1950)
Southern Newspepers PLCOrd £1 –
£3.436
Threelies(Centei)& Co PLCOrd 25p –

Threshes/Dentella to FLOOrd 10p - \$2.89\$ United Friendly Insurance PLC Ord 10p - 212 (31.890) Watermark Group PLC Ord 5p - 20.14 (28.890) Westable Ld*A* Non.V Ord 25p - 26 (25,090) (25,090) Anchmore PLC Ord 25p - 20,26 (25,1290) Widnerhampton Recoccurse Co PLCOrd 25p - 20.25 (26.1e90) 25p - 53% (26.1e90) Yates Bros Wine Lodges PLCOrd 25p - 22.4 2.415 Yorkdate Holdings PLCOrd 21 - 21 (26.1e90)

RULE 535 (4) (a) Bergains marked in securities where principal market is outside the UK and Republic of Ireland. otation has not been grant London and dealings are not recorded in the Official List.

Boral Ord AS3.961 (31/1) Clty Developments Corp. Modernomens 876R4.6 (31/1) Diversified Mineral Resources AS.129 (20/1) Haoma Morth West 1.5 (1/2) Harland Clohn NI Co S20.6256 (30/1) Heyreid Steel & Vanadium R15.1 (26/1) Jardine Matheson Heigs £1.75.78 (26/1) National Electronics (Cospolidated) 4 (29/1) Nizologi Computers DNIZS6 (1/2) Vizder! Computers DM 258 (1/2) 3H Search A\$,717 (1/2) On Search 45.7 (1/2)
Overseas Chinese Banking
SS10.74062, 8 11/2)
Palabora Mining S15.5 (1/2)
Selanger Coconuts 27eMS2.13 (31/1)
Singapore Land S14,78085e15 (1/2)
Vultan Minerals 13 (1/2) Banking Corp

AUTOMATIC **IDENTIFICATION**

The Financial Times proposes to publish this survey on:

30th April 1990

For a full editorial synopsis and advertisement details, please contact:

> Jonathan Wallis on 01-873 3565

or write to him at:

Number One Southwark Bridge London SEI 9HL

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> Anthony G. Hayes on 021 454 0922

or write to him at:

George House George Road Edgbaston Birmingham B15 1PG

FINANCIAL TIMES

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A Street ** = 2 : April 1900 Come

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LONDON STOCK EXCHANGE

Equities helped by overseas factors

THE LONDON stock market rounded off an erratic week with another uncertain but finally successful session yesterday, as favourable trends in other markets inspired a final flurry in UK stocks. The news that the South African Government had made considerable concessions to the black majority population prompted widespread gains among gold min-ing issues and other stocks with interests in Africa.

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535 (4) (a)

Although the final picture Although the final picture

Was optimistic as London
responded to an early gain of rise of 9.3 on the day. This 26 points on the Dow Average, the market remained nervous for most of the session, and the Footsie moved between minus

Cellnet

partners

advance

Shares in the two corporate owners of Cellnet, one of the UK's two cellular radio net-

works, rose strongly yesterday on hints suggested that moves to maximise shareholder value

may soon be set in train. Cellnet is owned 60/40 by British

Telecom and Securicor/Secu-

Securicor/Security Services are scheduled to announce pre-

liminary figures on Tuesday

and British Telecom is expec-

ted to declare third-quarter

ous ways of realising the value

of Cellnet, including a straight-forward sale of the company, a

sale by Securicor/Security Services of their joint stake to

British Telecom or an issue of

shares in Cellnet to Securicor/

expect developments immedi-

ately, but do not rule out big

changes in coming months. "It would be sensible to take

advantage of what some regard

as inflated values for cellular

Cellnet speculation gave yet another boost to British Tele-

com shares which have been

stimulated by heavy US sup

port throughout this week. At

the close they were another 4%

higher at 310p - up 20 on the

week - on turnover of 6.3m. Securicor "A" shares advanced

35 to 831p and Security Services 38 to 724p.

A report in the UK press that

British Aerospace (BAe) was to be asked to pay 2238m by the

European Commission, in the

aftermath of the purchase of

In mid-morning, however, the price rallied after the UK

Department of Trade and Industry stated that it had no

knowledge of a report by the Commission. Analysts had already noted that there were

some doubts with the story,

since the European Commis-sion has already agreed to the

deal, and the money to be recovered, as it belonged to shareholders, is probably irre-

trievable. BAe might have to

repay the £33m "sweeteners", or hidden subsidies paid by the

government at the time of the

sale, but this bad news was-

probably already in the price, and the sum is far less signifi-

cant than the £238m mentioned

at 554p, once the market had

recovered its nerve. Renewed

The shares closed off a net 6

in the report.

share price down by 30.

sent the

BAe flurry

the Rover

business," said one analyst.

Telecoms analysts do not

Security Services holders.

Dealers said there were vari-

results on Thursday.

rity Services.

Account	Desiding	Dates.
"First Dealings: Jan 15	Ject 29	Feb. 12
Option Declarate Jan 25	Feb 5	Feb 22
Last Declings: Jan 25	Feb 9	Feb 23
Account Day: Feb-S	Feb 19	Mer 5
There tong dealer		

3.5 and plus 10.4 before its late rally left it below the day's

week has seen the Footsie Index put on 40.4 points (1.8 per cent) as concern over the outlook for domestic interest

wordes about industrial action

helped to keep the price down,

Mecca Leisure fell in

two-way trade after analysts at

Smith New Court cut their forecasts for profits in the cur-rent year from £98m to "a worst case of £90m." After speaking to the company, Mr

Peter Joseph at Smith singled

out slowdowns in bingo, night-

clubs, London casinos, and slot

machines, among others. He

also changed his recommenda-

tion on the stock from a hold

to "consider selling." Turnover was more than double its usual

levels at 2m shares as the

Mecca price slipped 4 to 151p.

stuck by their forecasts, mostly

in the £95m to £100m range.

"We've looked at our figures

and don't see any reason to change them," said one. Royal Bank of Scotland com-

pleted an up and down week

showing a strong rise on the

session as takeover speculation

drove the share price up to

215p, before closing at 214p, for a net gain of 10%. Turnover reached 15m shares, way ahead

names put forward by dealers

and analysts as to potential

bidders for the bank. Among

these Banque National de Paris

cropped up again, as did that of Paribas. Other stories

suggested stock market switch-

ing TSB and Bank of Scotland

and buying Royal Bank shares, although dealers were sceptical

of this angle. Earlier in the week Royal

shares were unsettled by

reports detailing the bank's exposure to highly leveraged buyouts, although Royal Bank

emphasised it planned no

NET ENGLIS (42), SRITISH FURSIS (1) Trees. Spc 1990, SAMES (2) Lloyds, TSS, CHEMICALS (4) BASF.

22 Lloyde, TSB, CREMECALS (4) BASE, Chemous (orl., Pecutors 13', Ransonn (Wrn.), Estimated (1) Control (1) Table (1)

Corpe. Dom. & Foreign Bonds

Financial and Prope

British Funds

operations, involving sell-

There was no shortage of

of usual levels of business.

Other analysts, however,

on thin volume of 1.3m.

Mecca challenge

The political developments in South Africa, while not wholly unexpected, sparked a substantial increase in London

activity in gold mining issues ; there was strength and volume in both South African gold shares and Government bonds," said RND International, the London brokerage house with South African financial backing, which trades these stocks in international markets.

UK trading in South African stocks is price-driven from Johannesburg, and the shares rose substantially in London as Johannesburg traders bought

extensive new provisions for

red at the outset when a line

of 500,000 shares was snapped up on the inter-dealer broker

screens. This was followed by

der, the Spanish bank, has a 10 per cent stake in Royal Bank

all-time peak as UBS Phillips & Drew reiterated its

buy recommendation on the

their interest in Eurotunnel

after several weeks on the side-

lines. The shares jumped 87 to

on good sentiment following

the decision of the board of Sea Containers to recommend that

its shareholders approve an

offer to buy most of its container and ferry businesses.

The offer is from a company

owned jointly by Tiphook and Stena of Sweden. One dealer

also mentioned a persistent buyer on the inter-dealer bro-

Oil and gas stocks made fur-ther progress at the end of a week which brought a re-rat-

ing of the sector by a number

market yesterday were two big individual trades in British

Gas, one of 9m shares and

another of 6m, which followed

in quick succession on the

Seaq ticker around lunchtime. These were thought to have

represented American interest.

and boosted turnover in Gas to

22m. "The Americans like them because of their excellent

defensive merits, good yield,

(4) Gendelf Yech, Inc., Inc., Filo Algom, Sonora Gold, BANKS (4) Cap. Leasing, Missabishi, Missabishi Y & B, Sumitomo

ARRICHMENT II SIGNAMENT I S. CARRICHMENT BAPA, BREWHERS (I) Signal Pope 'A', BUE DENGS (S) Rush & Tomptina, Venture Plant, Weeco, CHEMICALS (I) Astra, STORES (F) Herfinga, Marrin (A), PME, Sock TORES (F) Herfinga, Marrin (A), PME, Sock Ph., Isopad Int'l, P. & V Into. Sya, Wholesale Pringa, ENGAREDWING, (F) AT Tat., VSEL CORNOT, BUILDTFRAIR, (F) ARMINER, Bear Brand, Bennon Gp., Bridgert-G., Niean-5-Zamment, Bennon (H), Welling (I) Almonto-

Copport, MICLESTRIALE (7) Atemanic, Beer Brand, Benton Grp., Bridgort-G., Klean-6-Ze, Magnolia, Ropers 'A., Mestra-MCC (1) FAL, LESSURE (2) Expedier, TVS Ent., PAPERS (2) Ferguson Int., Hutterprint, PROPERTY (3) Erosin, McKey Securities, Priess Mariane, EXTERS (3) Drummond, Foster (1), Lowe (FLH.), TESMSPORTY (1) TNT., TRUSTS (1) Transvood Witten, OLS (1) Maridian, (2) (7) Young Grp., TWED MARKET (2) Kreinegraphic, Leading Lais., Wilton,

On Friday On the week Falls Same Rises Falls Same

705 . 666 1,591 3,524 3,354 7,934

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9 6 35 181 246 378 346 388 521

670 1,972 109 206 6 35 246 378

The main features of the

of broking houses.

NEW HIGHS AND LOWS FOR 1989/90

RISES AND FALLS

On Friday

Tiphook advanced 9 to 472p

French investors renewed

rates has eased and Wall Street stock. But British, Continental and US investors were both sellers and buyers in the UK market. One specialist in gold share arbitrage trading said turnover yesterday was ten times the recent average. Interest washed over to Lonrho and Charter Consolidated, both with interests in Africa.

Market analysts held mixed views on the mainstream UK market. Seaq volume remained high at 487.4m shares, against Thursday's 470.5m, but little business was done during the closing upturn. S.G. Warburg Securities sees

the UK equity market moving "sideways in the short term, commenting that while much of the bad corporate news may be already reflected in share prices, it will still constrain the immediate outlook. Kleinwort Benson Securities believes the market will be "dull, volatile and driven by Wall Street for another month or so." However, Mr Nicholas

Knight of Nomura Research Institute remains bullish, and drew attention yesterday to the Japanese buying behind the strong German equity market. "Japanese investors are still making money in UK equities in Yen terms". He expects the UK to draw further benefit from the increasing movement of Japanese funds into international equities.

Inns to Bass last year. The ven-dor, Holiday Corp. received the shares as part of the consider-

ation, said the analyst, and is

passing them on to sharehold-ers who are likely to liquidate

Reports that Sears had taken

loed the latter's shares climb

a near 2 per cent stake in Next

5 to 98p. As the day wore on, marketmakers and analysts

became increasingly convinced

that the stake was 5m shares,

or 1.4 per cent. Dealers doubted, however, that any such stake represented preda-tory intentions at Sears, whose

shares were weak for most of

the session. They recovered to

100p, unchanged on the day. Kinglisher recovered from

Thursday's weakness, firming

of 1.4m shares, which had

hung over the market, were

Laing & Cruickshank published

a cautious note on the com-pany. Laing argued that the

current depressed states of the property and retail market

were slowing sales of shopping

centre space. Some developers were being forced to keep the

property on their books and

were therefore being hurt by

high interest rates. Burton

owned five such centres, said Laing, and the shares eased

performance

another 2 to 190p.

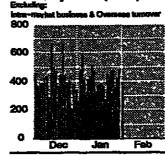
Burton continued their weak

3 to 279p. One dealer said a line

stion was that the deed had been done at 325p a share, although cooler heads referred to recent activity in the traded options market as the possible stimulus for the price rise in the last few days. The shares added 3 at 336p. Bass continued to slip, down another 4 to 1005p. One analyst said the reason was that US arbitrageurs were preparing to sell up to 8m Bass shares. They will receive this stock as a consequence of the sale of Holiday

their positio

Equity Shares Traded



guaranteed dividend growth and also the firmer trend in the dollar", said an oil sector specialist. Gas closed a fraction higher at 226½p. BP put on 3 to 348p on turnover of 6.3m. More institutional buying lifted Enterprise a further 8 to

Aviva Petroleum continued their recent good performance, adding 3 more to 33%p after a broker's buy recommendation, said to indicate sharply increased asset values

retailing shares were quiet with dealers remarking on the virtual dearth of news and an absence of market-related stories involving the takeover stocks which normally provide the sector with a fresh supply of interest.

The recent positive note by Hoare Govett helped Polly Peck add 4 to 418p on 1.9m shares. Budgens advanced 2 to 103p despite Thursday's late news that Mr Tony Birch, its managing director had resigned. The big question is who is going to replace him. Despite the share price rise, the jury still seems to be out on Budgens," one dealer said. Carlton Communications' shares rose a further 19 to 795p

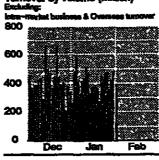
Govett denied responsibility and there was a generally sceplow of 602p to close at 604p, down 4 on the day.

Speculation continued to swirl around the market that Elders' near 24 per cent stake in Scottish and Newcastle had been placed. Yesterday's sug-

FT-A All-Share Index



Turnover by volume (million)



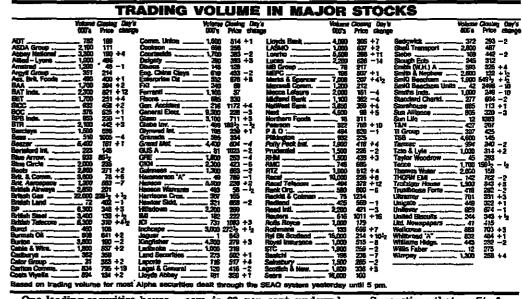
Among the secondary stocks Food manufacturing and

ahead of the much previewed visit to Japan which begins on Monday, with the main presen-

tation on Friday.

Vague hints of a Grand Metropolitan rights issue depressed the stock. Hoare tical response to the notion. GrandMet recovered from a

FINANCIAL TIMES STOCK INDICES High ' 81.96 81.55 81.64 81.77 89.29 81.04 (8/2/89) (18/1/90) (9/1/35) (3/1/75) Fixed Interest 91.03 91.08 91.08 90.92 90.94 97.45 99.89 90.85 105.4 50.53 (15/3/89) (26/1/90) (28/11/47) (3/1/75) 1447.8 2008.6 48.4 (3/1/82) (5/9/89) (26/6/40) Gold Mines 349.3 358.0 364.5 (25/1/90) (17/2/89) (15/2/83) (26/10/71) 1782.8 2463.7 FT-SE 100 Share 2355.1 2345.8 2337.3 2322.0 2328.8 2069.9 2483.7 Basie 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ord-hery 177/35, Gold mines 12/8/55, Basic 1000 FT-SE 100 31/12/83. ☆ Nii 10.62 Ord. Div. Yield Earning Yiq %(full) P/E Ratio(Net)(*) 11.13 10.87 11.23 11,22 10,79 10.87 10.87 10.77 11.17 27,389 674,11 26,804 351,9 26,711 1127,77 25,903 767.35 SEAQ Bargains(5pm) GILT EDGED ACTIVITY Equity Turnove Equity Bargains 27,981 26,504 415.6 Gift Edged Bargains 82.9 85.8 5-Day average 90.3 94.6 Day's Low 1861.6 Ordinary Share Index, Hourty changes Day's High 1867.3 "SE Activity 1974, †Excluding intro-market business & Oversess turnover, Calculation of 10 a.m. 1882.5 1982.1 1 p.m. 2 p.m. 1864.7 1861.7 3 p.m. 4 p.m. 1882.2 oc nauvin 114. Excusing into-narket business & Oversees turnover. Calculation on the FT Indices of daily Equity Bargains and Equity Value and of the Revoluty averages of Equity Wayagains and Equity Value, was discontinued on July 31. Classing values for July 88 available on revenue. 12 p.m. Day's High 2356.2 Day's Low 2342.3 FT-SE, Hourly chances Open 10 a.m. 11 a.m. 12 p.m. 2348.1 2345.0 2348.5 2351.4 1 p.m. 22 p.m. 3 p.m. 4 p.m. 2350.4 2347.0 2348.8 2353.4 London report and latest Share Index. Tel. 0898 123001.



One leading securities house was said to have found a buyer for a line of 3m Marks and Spencer. Its efforts to cover the short position helped the shares climb 41/4 to 207p.

Thursday's profit warning from Sock Shop left the shares another 4 weaker at 46p.
The Racal "twins" were aggressively bought with dealers citing the Cellnet stories,

which if true could possibly trigger a re-rating of Vodafone, and the forthcoming series of presentations to European and US investors. UBS Phillips & Drew, which recently issued a strong buy recommendation on Racal Telecom, is sponsoring a week-long European roadshow next week. The UBS electronics team says demand for mobile communications in the 1990s will see a 10-fold increase in subscribers from under 1m to over 10m in the UK and from 2m to over 40m in

Europe, with Racal retaining a

dominant share. "Racal Tele-

com is 30 per cent underval-ued," said UBS. At the close Racal Telecom were 12 higher at 373p and Racal Electronics 8 to the good at 226p. GEC dipped 3 more to 228p on good turnover of 9.3m

shares amid talk of a broker's

profits downgrading. Logica, the software group, dropped 8 to 339p after an analysts visit which was said to have revealed problems in the US operations, with profits downgradings said to be looming.

The bid by MTM for Chemoxy International sent ripples through the chemicals sec-

tor. Among other chemicals second liners, Croda International and Brent Chemicals both added to 188p and 133p respectively. The bid, made through BZW

send Chemoxy 149 higher 417p. MTM fell 4 at 211p, having dipped to 206%p after the bid was announced. Dealers reported little trading, saying that only about 3m shares were

Suggestions that profits forecasts for Lucas had been downgraded by Cazenove helped bring the price down 14 to 626p, although Cazenove refused to comment. Gloomy press reports, industrial action in the aerospace industry and the threat of such in the motor industry did not help senti-ment in the rest of the sector. GKN fell 6 at 423p while Smiths Industries shed 10 to 249p on turnover of 1m. At least one analyst downgraded Smiths, and there was said to be steady selling of the stock. Laing Properties enjoyed a strong rally at the end of the day, closing 14 stronger at 564p. Dealers reported that trade was heavier than usual in the stock, and speculation about the intentions of stake

Other Market statistics. including the FT-Actuaries share index Page 11.

appear still to be alive.

holders Chelsfield would

LEADERS AND LAGGARDS

Percentage changes since December 29 1989 based on

Thursday February 1 1990						
old Mines Index+	19.01	Leisure				
ckaging & Paper+	4.36	Electricals				
Mar+	2.66	All Share Index				
nks +	1.97	500 Share Index				
od Retalling +	0.40	Textiles =				
octronics	D.08	Industrial Group				
richant Senks	0.41	Food Manufacturing				
& Gas	0.79	Chemicals				
snot	7.21	Property				
nglomerates	1.37	Capital Goods				
Kurence(Life)	1.39	Building Materials				
nancial Group	1,48	Consumer Group				
ephone Networks	1.68	Insurance(Brokers)				
Insport	1.87	Investment Trusts				
gineering-General	1.94	Publishing & Printing				
encies	2.12	insurance(Composite)				
her Groups	2.17	Engineering-Aerospace				
ewers and Distillers	2.36	Other Industrial Materials				
ntracting,Construction	2.38	Health & Household Products -				
tals & Metal Forming	2.51	Oversess Traders				

94-12 95-27 39-10 -3/32 12.15 12.21 -3/32 11.22 11.18 -1/32 10.30 10.25 10,500 9.000 5/99 10/03 US TREASURY ' 7.875 8.125 -11/32 8.47 8.45 -18/32 8.49 8.51 4.800 5.700 89.7812 +0.032 6.56 6.34 95.3712 +0.315 6.26 6.34 98.0500 -0.220 7.71 7.71 7.51 7,125 12/99 91.5726 +0.078 10.33 10.32 90.8100 +0.060 9.65 9.62 FRANCE BYAN 8.000 10/94 10.22 9.250 12/99 95.4500 ÷0.050 9.98 9.99 9.69 7.500 11/99 94.7200 - 8.30 8.28 8.10 7/99 95.8471 +0.157 12.76 12.75 12.96 AUSTRALIA 12,000 London closing, "denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal

BENCHMARK GOVERNMENT BONDS

Technical Data: ATLAS Price Sources

COMMODITIES

WEEK IN THE MARKETS

Base metals rally from early lows

COPPER, ALUMINIUM and tin down \$15.50 on the week but prices registered long-time lows on the London Metal Exchange this week, but they all finished well off the bottom as the price cuts attracted consumer buying. Nevertheless the overall tone of the base metals market remained cautious and traders were not looking for sustained recov-

Cash copper dipped to a 17-month low of 21,301 a tonne at one stage before closing yesterday at £1,364.50 tonne, up £4.50 on the week. Traders said the market, which was mainly under the influence of the trend on the New York Commodity Exchange (Comex), appeared to be stuck in a narrow range, with chart support a few dollars below the current level and solid resistance a few dollars above.

The prices of high grade aluminium and tin reached the lowest levels since their launches - in June 1987 and

June last year respectively.
Aluminium's fall took the cash price below \$1,400 a tonne on Wednesday, following Monday's announcement of an 11,400 tonne rise in LME warehouse stocks to 87,475 tonnes.

\$50 off the low. However, traders pointed out that, with further substantial arrivals expected in LME warehouses, supplies would be more than adequate to meet any likely upturn in consumer offtake prompted by present low price

Big falls in LME stocks of zinc (up 11,475 tonnes) and lead (up 4,650 tonnes) prompted rises early in the week and, despite confirmation of the ending of the Centromin strike in Pern, both were still holding gains at last night's close. Cash special high grade zinc,

which had dipped to \$1,265 a tonne on Wednesday, ended \$78.50 up on the week at \$1,356 a tonne. Cash lead, which had retreated from £422 to £413.50 a tonne at one point, put on a £12 spurt yesterday to finish with a net gain of £13 at £430 a

tonne. Before this week lead's fairly bullish fundamentals - low stocks and good demand - had been overshadowed by the gloomy mood in the rest of the

base metals market. The rally prompted in the nickel market by last week's announcements of production But then consumer buying halted the decline and by last night's close the price had rallied to \$1,444.50 a tonne, still LME price dipped to \$6,075 a ation gold traders apparently

tome at one stage. That fall was recovered and the price ended \$212.50 up on the week at \$6,612.50 a tonne.

However, a special report published this week by Shear-son Lehman Hutton's London metals team warned that any recovery in the nickel price might be short-lived. Even after allowing for the Inco and Falconbridge cuts a 40,000tonne surplus of the metal was likely this year, the report said.
"We would not be surprised to see three-month LME prices (currently standing at the equivalent of \$2.90 a lb) touch \$2 a lo before recovering in the second half of this year." The nickel market's main problem was "massive destocking" by the stainless steel industry,

Shearson pointed out.
Gold finished a lively week on a high note, a \$1.50 rise yesterday leaving the London bullion market price \$5 up on balance at \$417.75 a troy ounce. Monday had seen a rise to \$423, encouraged by the lower dollar and weak equities, but profit-taking quickly trimmed that back. Then, on Wednesday, early talk of a US plan to mobilise" International Monetary Fund holdings to pay off decided that the US plan was nothing to worry about and the price began to recover.

Yesterday's early rise was partly attributed to the politi-cal moves in South Africa, which traders thought might lead to a widening of the market for South African gold. But caution over the long term implications prompted some midation later. Coffee prices steadled yester-

day on the London Futures and Options Exchange after the Brazilian Coffee Institute forecast a 1990-91 crop of 24.5m bags (60 kg each) - at the bottom end of a range of trade projections going up to 30m

The market response was muted, however, in view of the large structural surplus in the coffee market. The May futures price rose £4 yesterday to £588 a tonne, still down £6 on the

In its quarterly futures review, published this week, London trade house E.D. & F. Man said that further falls in coffee prices were likely in the short term - but that there was potential for rallies in arabicas (the mild, chiefly Latin American, variety that is traded on the New York futures market).

Chairman of ICCH

INTERNATIONAL COMMODITIES CLEARING HOUSE, owned by six UK banks, has appointed Mr Denis Child as chairman. He was deputy group chief executive of National Westminster Bank, and is a director of Coutts & Co, Securities and Investment Board, Eurotunnel Group, Investor Compensation Scheme, and IBM UK Pensions

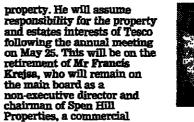
■ Mr Michael Cornish has been appointed general manager and sales and marketing director designate at SIP (HOLDINGS). Loughborough. He was commercial manager. Mr Len Spring has been appointed head of the new industrial division.

■ AUTHORITY INVESTMENTS has appointed Mr Malcolm Horsman as executive chairman, succeeding Lord Lever who becomes a non-executive director, and president.

Mr Robert Fraser has become a director of JAMES FINLAY.

■ PKEK, an international electronics and technology group, has appointed Mr Philip C. Challiner as managing director of its subsidiary, Polytechnic Electronics. Re joins from Group 4 Systems where he has been managing director since 1986.

■ Mr Nigel Burton has been appointed a director of TESCO STORES and will join the company on April 17 from Boots where he is director of



APPOINTMENTS

■ Mr Declan McMahon has been elected chairman of the INSTITUTE OF LONDON UNDERWRITERS. Mr Peter Evans becomes deputy

property company wholly-owned by Tesco.

■ DOVERCOURT MOTOR CO has appointed Mr Richard Barber as managing director. He was with Perry's.

■ ALFRED McALPINE has promoted Mr John Cosgrove to technical director and Mr Frank Tiplady to construction director of Alfred McAlpine Homes North, Wilmslow.



SAPPHIRE INTERNATIONAL has made Mr Lindsay Bury (above) non-executive chairman. He was chairman, Apricot Computers, remains a director, and is chairman, Sharp Technology Fund.



Mr Peter D. Lord (left) has been promoted from service manager, to director, parts, at VAUXHALL MOTORS, a General Motors subsidiary, succeeding Mr John N. Costin (right) who has been made executive director, GM European parts and accessories, Russelsheim, West

Mr David Palser has been appointed managing director of BRYANS INSTRUMENTS, Runcorn, manufacturer of CAD plotters and analogue recorders. He was sales director, and succeeds Mr Adam Kingdon who returns to the post of group managing director of Adam Holdings.

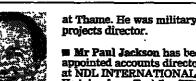
Germany.

Mr M.J. Last bas been elected 1990 chairman of the committee of LLOYD'S MOTOR UNDERWRITERS

■ Mr Martin J. Weetman has been appointed to the new post of financial controller of DUNLOP AEROSPACE GROUP, Coventry, part of BTR. He is a director of joint venture company Dunlop-Eldec Electronics.

Mr Tony Aston has been appointed financial director of UNITED CARRIERS INTERNATIONAL He was managing director of subsidiary Mann & Son.

■ Mr Stuart Heys has been appointed LEYLAND DAF military sales director based



Mr Paul Jackson has been appointed accounts director at NDL INTERNATIONAL He joins from Toshiba (UK)

■ THOMAS & BETTS, Marlow. has appointed Mr Douglas S. Burchett as vice president Europe, sales and marketing. He was director of marketing

■ LANDIS & GYR COMMUNICATIONS (UK) has appointed Mr David AcCormack as director of business development, based at Verwood, Dorset, He was sales director, payphone division, GPT.

■ LEIGH INTERESTS, an

environmental waste management company, has appointed Mr Edward Wilkinson to the parent board. He is group services director of Leigh Environmental. **EKEITH JOHNSON**

CONTRACTORS, Derby, part of the Bowmer & Kirkland Group, has promoted Mr Kevin Hibbert to contracts director.

in Mr Ralph Davies has been appointed technical director at Tooling Products, a WEIR GROUP company. He was technical manager.

Mr Nigel Gibney has been appointed director of business development at DOWTY DEFENCE & AIR SYSTEMS, fuel systems division, succeeding Mr Geoff Smith who has become director and general manager, Mr Gibney was head of

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WORLD STOCK MARKETS

Jobs data and takeover talk spur Dow recovery

Wall Street

SOME good news on the takeover front combined with generally favourable employment statistics to provide some fresh momentum for the recovery which began earlier this week, writes Anatole Kaletsky in New

After a hesitant opening, equity prices moved steadily higher in moderately active trading, so that by 2 pm the Dow Jones Industrial Average was 26.80 points ahead at 2,613.06, easily wiping out the 4.28 point fall on Thursday.

Trading was moderately active with 109m shares changing hands by lunchtime, while breadth was excellent, as advancing shares outnumbered losers by more than two to

The market's advance owed something to the unexpected partial takeover bid announced by Hoffmann-La Roche of Swit-zerland for Genentech, the leading US biotechnology firm. Takeover stocks were also boosted by continuing rumours that unions at United Airlines were making good progress in financing a possible buy-out of the group. However, the mar-

the Genentech announcement. The main cause appeared to be a general recovery in investor sentiment after Wall Street's battering last month.

The equity market certainly received no encouragement from bond traders, who panicked briefly in response to stronger than expected employment figures for January.

The market's initial sell-off pushed the Treasury's long bond down by almost a point, before closer inspection revealed that much of the 255,000 growth in non-farm payrolls had been caused by weather-related abertations

and statistical revisions. The market's expectation had been for a 180,000 increase in employment. But much of the unexpected growth could be explained by a downward revision of 44,000 in Decem-

The bond market gradually recovered most of its losses as traders woke up to these abertations. By lunchtime the long bond was down only & at 96%, to yield 8.46 per cent.

Equity traders largely ignored the bond market's

gyrations, continuing to bargain hunt for stocks across the whole range of industries.

\$70%. Heavy industrials were also in demand, with Dow

Chemical rising \$1% to \$64%. Takeover stocks also recovered, propelled by rumours that the UAL unions were preparing a bid worth \$180 a share. These rumours first surfaced in late trading on Thursday, when UAL stock advanced by \$814. Yesterday morning the shares rose a further \$3% to \$13.

Genentech was suspended at \$21% after Hoffmann-La Roche announced that it had agreed to buy half the company's stock for \$36 a share.

THE RISE on Wall Street provoked gains in Toronto, but trading was light because of nervousness over high interest rates. The composite index rose 14.1 to 3,723.2 on volume of 14.6m shares. Advances led declines by 258 to 196.
Gold shares fell 83.18 to 7,816.78 in spite of a rise in the London spot bullion market. Among gold stocks, Lac Minerals fell C\$% to C\$15%, Placer Dome C\$% to C\$23%, American Barrick C\$% to C\$20% and Agnico-Eagle was flat at

give lift to Johannesburg

Reform plans

South Africa

Johannesburg SE (rebased) 180

160 Gold And Industrial 140 120

THE JOHANNESBURG market was in elated mood yesterday, as both gold shares and indu trials soared in the initial reaction to far-reaching politi-cal reforms proposed by the South African President.

The gold producers' index jumped 72 to 2,252, only 2 ints below its December 12 high; industrials, which had lagged behind golds in relative terms since the second half of December, rose 92 to 3,025, breaching their January 15

Both local and foreign investors judged that the political changes will get a good response around the world. However, both UK and South African observers noted that the market was short of stock and that there were few if any sellers around yesterday.

took the Nikkel average

sharply higher, writes Michiyo

a gain of 443.73 to 37,650.15, for

a rise on the week of 2.1 per cent. Its high for the day was

37,665.06 and its low 37,256.06.

The index rose more than 190

in the first 15 minutes of trad-

ing and kept on an upward

course through the day.

A boost from index-linked funds towards the close was

the principal source of its

Advances, at 590, eclipsed

declines at 348, while 185 issues

were unchanged. Turnover was a low 587m shares, but higher

than the 507m traded on Thurs-

day. The broad-based Topix

index was up 8.31 at 2,762.40

2,055.69.

and, in London trading, the

The outlook for the ven and

for interest rates did not

encourage institutional buying,

but there was sustained buying in smaller capitalisation issues

with growth potential "Rather

than buy the market as a whole, people are buying a few

strong finish, analysts said.

The Nikkei index closed with

Nakamoto in Tokyo.

Tokyo

EUROPE

German turnover breaks record

THE HEADY atmosphere in Frankfurt drifted into other senior continental bourses yesterday, but West Germany kept plenty of impetus for itself, writes Our Markets Staff.
FRANKFURT had a halcyon

day, as the FAZ and DAX indices easily surpassed their previous peaks, rising 21.28 to 795.38, and 52.59 to 1,910.67 respectively, for gains on the week of 5.9 and 6.5 per cent. West German bourse volume

smashed its January 3 record of DM13.1bn, rising from DM12.1bn on Thursday to DM16.5bn on a wave of foreign buying, which concentrated on international blue chips. Siemens and Daimler topped the active stocks list in turnover of DM1.74bn and DM1.73bn

respectively.
The East German Prime Minister, Mr Hans Modrow, put the initial spurs to the market with his contribution to German reunification plans. Estimates that plans by Japanese country investment funds could put another Y200bn (\$1.4bn) into German equities helped to bring in buyers from around the world, and forced domestic professional traders to cover short positions opened in anticipation of a correction.

Among leading stocks, Daimler Benz jumped DM46, or 5 per cent, to DM916 and Deutsche Bank gained DM33, or 4 per

cent, to DM856. Meanwhile, volume on the new Deutsche Terminbörse

climbed to 26.544 contracts from 34,887 on Thursday. Call options for Siemens were again the most heavily traded instruments, followed by calls for Thyssen, Volkswagen and

PARIS had a strong, active day in response to news of a trade deficit of FFr2.2bn in December; the market had been expecting up to FFr4.5bn. Shares advanced at the open-

ing, before drifting for a while as investors seemed to worry about the deficit figure for the full year of FFr45.7on, up from FFr32.7bn in 1988. After lunch, however, the market pushed ahead again, even before Wall Street's firm opening, which gave further support. The CAC 40 gained 29.17

points, or 1.5 per cent, to 1.924.70, for a rise since the previous Friday of 2 per cent. Foreign interest boosted turnover to about FFr3.3bn. "There has been a great deal of neglect by the international community over the past three to four weeks, but the further rise in West Germany [yesterday] made France look rather cheaper," said one dealer. CGE, the electronics group,

was one of the most active issues, rising FFr22 to FFr567 with 518,120 shares traded. Interest in Alsthom, its railway equipment-making arm which has a healthy-looking order book, and Japanese demand suggested as reasons.

Metaleurop jumped FFr14.10

to FFr209.10 on news that it would pay a dividend on its 1999 results - its first since 1981. Michelin, which said it would review its costs and investments in the face of lower demand for tyres, lost

FFr2.90 to FFr154.10.
AMSTERDAM saw foreign interest in Frankfurt spill over into the Dutch market, where shares rose in active trading. The CBS tendency index advanced 1.1 to 113.6, a gain of 2.3 per cent over the week. The strong Wall Street opening and firmer dollar also proved

lisher, gained Fl 3.20 to Fl 47 on speculation that Elsevier, up Fi 1.90 at Fi 81.20, would merge with it or make a bid. Elsevier which denied the rumours, has a one-third stake in Wolters. Elsewhere in the sector, VNU eased 50 cents to Fl 101.90.

Wolters Kluwer, the pub-

ZURICH picked up steam to close higher in moderate vol-ume, with investors showing renewed interest in industrials.

The Crédit Suisse index put on 7.1 to 613.6, for a gain on the week of 3 per cent.

Ciba-Geigy, the chemicals group, climbed SFr35 to SFr3.630 after the company appropriate that it had approximately appropriate that it had approximately app announced that it had agreed to a SFr30m joint venture with the Chinese to manufacture and market animal health products.

BRUSSELS ended a quiet week mainly mixed. Investors remained discouraged by high

index added 11.06 to 6,237.52, for a rise of 0.5 per cent on the week. Volume totalled BF1670m, slightly higher than

earlier in the week. Société Générale de Belgique lost BFr5 to BFr3,400, while its FN arms subsidiary fell BFr14 to BFr440. In chemicals, UCB

gained BFr225 to BFr18.975. MADRID continued its jour ney into higher ground, with the general index up 1.45 at 283.19, for a rise on the week of 2.4 per cent, although volume remained low. Banco Popular rose again, adding 20 points to

1,685 per cent of par value. STOCKHOLM made progress in trade still severely restricted by the bank workers' strike. The Affärsvärlden general index gained 12.8 to 1,259.7, a rise on the week of 2 per cent. Turnover was worth SKr115m, slightly up from SKr109m on Thursday but much below the usual daily level of about SKr350m.

Ericsson, the telecommunications group, saw its free Bs rise SKr13 to SKr978 amid high expectations for the company's annual results, due to be released next week.

OSLO closed the week with the all-share index at its second consecutive record, closing 1.23 higher at 580.10 in active trading worth NKr492m.
VIENNA rose to its fourth record of the week, as the bourse index added 18.71, or 3.1

per cent. to 630.45.

Canadians search for a place to hang their Coats Twin boost fuels steady rise in Nikkei index

Bernard Simon on a campaign for respectability

ANADA'S stock markets have never reflected the blandne which outsiders associate with things Canadian. Although the Toronto market is currently in a rather cautious mood, foreigners may still regard the geographical fringes as rather wild, and rumour-driven

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Ami ee

The Vancouver and Alberta exchanges wage an endless battle to convince investors that they are on a higher plane than gambling pits. Likewise, the more senior exchanges in Toronto and Montreal prefer not to be tarred with the same brush as the volatile resource

Ontario's over-the-counter market is the latest to join the campaign for respectability. The Ontario Securities Com-mission (OSC) has imposed new rules and is looking for a respectable operator to broaden the market's base.

Known officially as the Canadian Over-the-Counter Automated Trading System (Coats), the fully-computerised market has, until now, been largely confined to speculative mining stocks and new issues Almost 1,200 stocks are listed

on Coats, a third of which trade actively. The listings are a mixed bag. They range from well-known international companies, such as Rolls-Royce

C\$15,000 to C\$160 since a court case to decide ownership of a railway line went against it. London Life, a leading Canadian insurer, is listed for the convenience of about 100 investors who decided not to tender

been stagnant.

a broader mandate than the OSC, which is a regulatory body with jurisdiction confined to Ontario.

Mr Court Bracken of WD

One obvious home for the over-the-counter market is the Toronto Stock Exchange (TSE).

their shares to the controlling shareholder. Coats also makes markets in depositary receipts for South African gold mines. About 325m shares, with a value of C\$562m, traded on Coats last year. But with both the new issue and mining sectors quiet, interest lately has

There is a consensus that, if the market is to flourish, it

Latimer & Co. one of 40 securiket in Coats shares, says: "We want to see the Coats market taken away from the OSC and made available to companies throughout Canada."

The TSE has so far shied away from taking over Coats, apparently fearing damage to its reputation from a close link with what is basically a specu-lative market. None the less,

bec Railway, the share price of the stock exchange is in discussions with the OSC.

Coats may be more attractive to the TSE with the tighter rules imposed earlier this month. They include a wider discretion for the director of Coats to decide which stocks can be quoted and traded; power to halt a quotation in the public interest; and limits on commissions and service

into effect on February 12.

Mr Joseph Groia, the OSC's director of enforcement and director of Coats, says talks are continuing with a couple of parties and that at least one detailed proposal is expected any day.

ew rules to counter manipulative trading are similar to those applied on the TSE. Coats quo-tations will be suspended if companies fail to comply with regulations within 90 days. The TSE itself will put important new trading rules

The rules - which the TSE claims will make its trading procedures the most visible in ties firms and investors price and volume data on all committed orders. To encourage demand will in future be allocated on a pro rata system than equally between firms.

market for coming months, and favour the defensive sectors with emphasis on large capitalisation stocks."

With the notable exception of gold mining

asset play, because it owns land in Ginza and in regional

reports that oil production in the Soviet Union was likely to fall. Nippon Mining, which is active in oil exploration, was

TRADING REMAINED thin in Tokyo yesterday, but interest in special interest stocks and a second in volume terms with 13.9m shares and gained Y20 to flood of index-linked buying

Osaka saw renewed interest in large capital shipbuildings which helped the OSE average to gain 207.70 to 38,524.56. Volume improved to 72m shares from 56m on Thursday.

Roundun

TURNOVER grew in Singapore, surpassing Thursday's record, and Hong Kong took heart from local enthusia SINGAPORE basked in record turnover for the second

BRITISH FUNDS

Price |+ or | Yield

successive day with 228.2m shares traded, up from the previous day's 218.2m.

Japanese demand helped to push the Straits Times industrial index up 20.30 to 1,549.13, contributing to a strong 4 per cent gain on last week's closing level. As one analyst put it: "A person on the spot described the activity as like the frenzied feeding of starved Japanese sharks." National Iron and Steel, a leading blue

chip, put on \$\$55 to \$\$990. HONG KONG recovered much of its sharp, early losses. One specialist said: "Local investors have returned to buy and are looking round for signs of confidence." The Hang Seng index ended only 1.69 lower at 2,736.55, after plunging more than 40 points in the late morning, for a 1.1 per cent rise over the shortened week. Turnover rose to HK\$787m from Thursday's HK\$606m.

AUSTRALIA weakened further at the end of a disappointing week, with the industrial sector coming under additional selling pressure, although gold stocks attracted demand. The All Ordinaries index lost 1.6 to 1,669.3, or 0.9 per cent since the previous Friday, after positionsquaring and bargain-hunting hauled it up from its day's low of 1,661.6. National turnover was 76m shares worth A\$145m. News Corp fell 35 cents to A\$11.75, only slightly up from

its seven-month low at A\$11.70.

LONDON SHARE SERVICE

BRITISH FUNDS-Contd

1989/98 Price + or Yield

losses for the group's Sky Television satellite broadcasting

THAILAND suffered wide spread selling prompted by rumours that public utility unions would join Bangkok port workers' four-day strike and by Prime Minister Mr Chatchai Choonhavan's declaration that he would not stand again for the premiership. The composite shed 13.25 to 832.10. MANILA fell for the fourth consecutive session, as participants continued to liquidate positions. The composite shed 27.26 to 1,016.02,

TAIWAN continued to rally, as the weighted index added 130.55 to a record 12,217.78.

Prict + er Div

AMERICANS - Contd

Cautious mood prevails in Toronto

ber's plunge in share prices.

Advising a 5 per cent shift away from equities to fixed-income investments, Gentrust investment Counsellors of Montreal said this week: "We recommend caution in the stock

shares, which advanced by 12 per cent in January, most sectors of the TSE have steadily weakened in the past month. The TSE 300 index

THE MOOD on the Toronto Stock Exchange has been dampened by sliding commodity prices and a slowing economy — ever since last October's plunge in share prices.

Advising a 5 per cent shift away from equi-

one of the most volatile California stocks in recent months has been Archer Communications, a Calgary company which claims to have invented a three-dimensional sound system.

The system made its debut last Sunday in a Coca-Cola TV commercial aired during the US Superbowl football game in New Orleans. Viewers and investors appear to be unimpressed. Archer shares, which doubled last year, lost more than a quarter of their value last Monday and Tuesday after the game.

earnings issues and special interest issues," said Mr Chuck Lambert at Jardine Fleming. The interest in earnings growth was reflected in the rise in the Nikkei's smaller capitalisation index, which was up 0.51 per cent, compared with an increase in the large capitalisation index of 0.25 per cent. Smaller issues were thought to have greater potential for earnings growth.

Among these, Sasebo Heavy Industries continued to rise, with a Y16 gain to Y923. Mitsui Matsushima, a company that sells mainly coal and is part of the Mitsui group, added Y70 to Y1,180. It was popular as an

Oils attracted buying on speculation of higher prices on

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	· -	THUR	SDAY FEB	RUARY 1 1	990	<u> </u>	WEDNESD/	Y JANUARY	31 1990	DQL	LAR INDE	<u> </u>
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local . currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989/90 High	1989/90 Low	Year ago (approx)
Australia (84)	150.24	- 0.6	132.39	129.81	-0.6	5.19	151.13	133.37	130.62	160.41	128.28	152.61
Austria (19)	221.51	+ 1.2	195.19	193.50	+0.8	1.37	218,94	. 193.22	191.90	221.51	92.84	94.87
Belgium (61)	149.32	+ 0.6	131.58	. 129.25	+0.0	4.32	148.41	130.97	129.20	160.02	125.58	134.23
Canada (120)	139.91	+0.1	123.28	120.15	+0.1	3.32	139.79	123.36	120.00	154.17	124.67	135.91
Denmark (36)	249.15	+1.3	219.55	220.26	+1.1	1.44	245.89	217.00	217.88	250.34	165.35	155.75
Finland (26)	148.41	+0.4	130.77	123.50	+0.5	2.53	147.85	130.48	122.88	159.16	118.63	135.45
France (125)	150.03	+ 1.0	132.20	134.32	+0.6	2.81	148.55	131.10	133.52	157.97	112.57	118.69
West Germany (96)	129.63	+21	114.23	113.22	+ 1.7	1.87	126.97	112.05	111.36	130.32	79.56	84.11
Hong Kong (48)	112.26	-0,6	98,92	112.57	-0.8	5.07	112,94	99.67	113.26	140.33	86.41	127.46
treland (17)taly (96)	197.56	+2.0	174.08	176.29	+1.5	2.37	193.74	170.98	173.61	198.57	125.00	135.85
Italy (96)	98.40	0.7	86.71	91.72	-1.1	2.50	99.09	87.44	92.74	102.11	74.97	79.57
Japan (455)	185.85	+ 0.4	163.77	170.17	+0.6	0.48	185.18	163.42	169.20	200.11	164.22	191.98
Malaysia (36)	230.19	+0.1	202.83	239.01	+0.0	2.24	230.03	203.00	239.02	238.21	143.35	154.82
Maxico (13)	359.04	+3.0	316.38	1059.91	+3.0	0.49	348.51	307.56	1028.81	359.04	153.32	161.81
Netherland (43)	139.36	+1.0	. 122.80	120.50	÷0.6	4.46	138.02	121.80	119.75	145.66	110.63	113.52
New Zealand (18)	69.99	+0.2	61.67	62.04	+0.8	5.58	69.85	61.64	61.56	88.18	62.64	72.81
Norway (24)	227.22	+25	200.22	200.08	+23-	1.36	221.58	195,55	195.57	227.22	139.92	157.00
Singapore (26)	189.72	+ 0.9	167.18	162.99	+0.9	1.79	188.06	165.97	161.46	189.94	124.57	139.08
South Africa (60)	221,92	- 1,6 -	195.55	165.27	-0.6	3.37	225.45	198.96	166.21	231.14	115.35	124.14
Spain (43)	154.94	+0.7	136.53	. 127.59	+0.6	4.14	153.93	135.84	126.81	169.75	143.14	144.61
Sweden (35)	198,30	+1.3	174,74	179,80	+1.0	1.91	195.79	172.79	177.97	206.95	138.45	150.22
Switzerland (62)	94,15	+0.5	82.97	87.41	+0.1	2.05	93.66	82.65	87.30	99.12	67.81	75.83
United Kingdom (306)	160.69	+ 0.5	141.60	141.60	+0.3	4,47	159.96	141.16	. 141.16	164.31	133.28	148.95
USA (542)	132.92	-0.1	117.13	132.92	<u> </u>	3,55	133.02	117.39	133.02	146.29	11213	120.71
Europe (989)	143.29	+0.8	128.26	126.06	+0.5	3,40	142.11	125.41	125.37	146.66	112.63	118.57
Nordic (121)	195.87	+1.4	172,60	163.17	+1.2	1.70	193,20	170.50	166.23	198.12	137.95	144,02
Pacific Basin (66/)	181.82	+0.3	160.22	166.45	+0.5	0.73	181.24	159.94	165.59	194.72	160.44	187.62
Euro - Pacific (1656)	166.61	+0.5	146.81	150.36	+0.5	1.66	165.79	146.31	149.57	174.18	141,56	159.99
North America (662)	133,24	- 0.1 .	117.41	132,12	-0.1	3.54	133,33	117.67	132.20	146.66	112.79	121.53
Europe Ex. UK (683)	131.38	+1.1	115.77	116.46	+0.7	2.68	129.99	114.71	115.65	134.66	96.30	99,83
Dackic Ex. Japan (212)	133.37	-0.4	117.52	119.99	-0.4	4,77	133.91	118.17	120.46	140.05	111.93	135,27
World Ex. US (1849)	166.34	+0.5	146,57`	149.76	+0.5	1.73	165.57	148.12	149.01	173.77	141.49	158.80
World Ex. UK (2085)	152.71	+0.3	134.56	144.33	+0,3	2.05	152.28	134,38	143.86	162.00	136.98	143,62
World Ex. So. Af. (2331)	152.98	+0.3 .	134.60	143.69	+0.3	2,27	152.50	134.58	143.41	161.84	136.67	144,20
World Ex Japan (1936)	138.19	+0.3	121.77	130.62	+0.2	3.53	137.84	121.65	130.41	145.52	114.51	121.09
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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

NATIONAL AND REGIONAL MARKETS	THURSDAY FEBRUARY 1 1990						WEDNESDAY JANUARY 31 1990			DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local - currency	Gross Div. Yleid	US Deliar Index	Pound Sterling Index	Local Currency Index	1989/90 High	1989/90 Low	Year ago (approx)	
Australia (84)	150.24	- 5.6	132.39	129,81	-0.6	5.19	151.13	133.37	130.62	160.41	128.28	152.61	
Austria (19)	221.51	+1.2	195.19	193.50	8.0 +	1.37	218,94	. 193,22	191.90	221.51	92.84	94.87	
Belgium (61)	149.32	+ 0.6	131.58	129.25	+0.0	4.32	148,41	130.97	129.20	160.02	125.58	134.23	
Canada (120)	139.91	+0.1	123.28	120.15	+0.1	3.32	139.79	123.38	120.00	154.17	124.67	135.91	
Denmark (36)	249.15	+1.3	219.55	220,26	+ 1.1	1.44	245.89	217.00	217.88	250.34	165.35	155.75	
Finland (26)	148.41	+0.4	130.77	123.50	+0.5	2.53	147.85	130.48	122.88	159.16	118.63	135.45	
France (125)	150.03	+ 1.0	132.20	134.32	+0.6	2.81	148.55	131.10	133.52	157.97	112.57	118.69	
West Germany (96)	129.63	+21	114.23	113.22	+ 1.7	1.87	126.97	112.05	111.36	130.32	79.56	84.11	
Hong Kong (48)	112.26	-0.6	98.92	112.57	- O.B	5.07	112,94	99.67	113.26	140.33	86.41	127.46	
relend (17)	197.56	+20	174.08	176.29	+1.5	2.37	193.74	170,98	173.61	198.57	125.00	135.85	
taly (96)	98.40	0.7	86.71	91.72	1.1	2.50	99.09	87.44	92.74	102.11	74.97	79.57	
Janan (455)	185.85	+0.4	163,77	170.17	+ 0.6	0.48	185,18	163.42	169.20	200.11	164.22	191.98	
Malaysia (36)	230.19	+0.1	202.83	239.01	+ 0.0 °	2.24	230.03	203.00	238.02	238.21	143.35	154.82	
Mexico (13)	359.04	+3.0	316.38	1059.91	+3.0	0.49	348.51	307.56	1028.81	359.04	153.32	161.81	
Netherland (43)	139.36	+10	. 122.80	120.50	÷0.6	4.46	138.02	121.80	119.75	145.66	110.63	113.52	
New Zealand (18)	69.99	+0.2	61.67	62.04	+0.8	5.68	89.85	61.64	61.56	88.18	62.64	72.61	
NOW CORIGIO (10/1-1111111111111111111111111111111111	227.22	+25	200.22	200.08	+23-	1.36	221.58	195,55	195.57	227.22	139.92	157.00	
Norway (24)	189.72	+ 0.9	167.18	162.93	+0.9	1.79	188.06	165.97	161.46	189.94	124.57	139.08	
Singapore (26)	221,92	- 1.6 -		165.27	-0.6	3.37	225.45	198.96	166.21	231.14	115.85	124.14	
South Africa (60)		+0.7	136.53	. 127.59	+0.6	4.14	153.93	135.84	126.81	169.75	143.14	144.61	
Spain (49)	154.94				+1.0	1.91	195.79	172.79	177.97	206.95	138.45	150.22	
Sweden (35)	198,30	+1.3	174.74	179.80			93.66	82.65	87.30	99.12	67.81	75.83	
Switzerland (bz)	94.15	+0.5	82.97	87.41	+0.1	2.05			, 141.16	164.31	133.28	148.95	
United Kingdom (305)	160.69	+0.5	141.60	141.60	+0.3	4.47	159.96	141.18			112.13	120.71	
USA (542)	132.92	-0.1	117.13	132.92	-0.1	3,55	133.02	117.39	133.02	146.29			
Europe (989)	143.29	+0.8	126.26	126.06	+0.5	3,40	142.11	125.41	125.37	145.66	112.63	118.57	
Nordic (121)	195.87	+1.4	172.60	163.17	+1.2	1.70	193,20	170.50	166.23	198.12	137.95	144,02	
Pacific Basin (66/)	181.82	+0.3 `	160.22	166.45	+0.5	0.73	181.24	159.94	165.59	194.72	160.44	187.62	
Euro - Pacific (1856)	166,61	+0.5	146.81	150.36	+0.5	1.66	165.79	146.31	149.57	174.18	141,56	159.99	
North America (662)	133.24	-0.1	117.41	132,12	<u>-0.1</u>	3.54	133,33	117.67	132.20	146.66	112.79	121.53	
Urope Ex. UK (683)	131.38	+1.1	115.77	118.46	+0.7	2.68	129.99	114.71	115.65	134.66	96.30	99,83	
achic Ex. Japan (212)	133,37	-0.4	117.52	119.99	-0.4	4.77	133.91	118.17	120.46	140.05	111.93	135,27	
World Ex. US (1849)	166.34	+0.5	146,57	149.76	+0.5	1.73	165.57	148,12	149.01	173.77	141.49	158.80	
World Ex. UK (2085)	152.71	+0.3	134.56	144.33	+0.3	2.05	152.28	134,38	143.86	162.00	136.98	143,62	
Norld Ex. So. Al. (2331)	152.98	+0.3	134.60	143.69	+0.3	2,27	152.50	134.58	143.41	161.84	136.67	144,20	
MORO EX. 30. Al. (2001)	138.19	+0.3	121.77	130.62	+0.2	3.53	137.84	121.65	130.41	145.52	114.51	121.09	
World Ex. Japan (1936)									143.57		136.68	144.08	
The World Index (2391)	153.40	+0.3	135.17	144.04	+0.3	2.28	152.94	134.97		162.05	130.55	177.00	
Malaysian market closed	opyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatiWest Securities Limited. 1987 alaysian market closed February 1. Process for Finland & Sweden were not fully updated following problems at the exchanges.												

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FINANCIAL TIMES

Weekend February 3/February 4 1990



Peugeot criticises UK's Japanese car policy

By Ian Rodger in Tokyo and Kevin Done in London

THE UK's policy of attracting its deep internal divisions inward investment by Japa- about how to tackle the cominward investment by Japanese car makers is an attempt to export unemployment to other European Community countries, and it will fail, Mr Jacques Calvet, president of Peugeot of France, said yester-

Speaking in Tokyo, Mr Calvet said the advance of Japanese car makers in the European market posed a serious threat to employment in the motor industry when the average unemployment level in "None of our states can today accept the aggravation of this unemployment. Even if one of them, Great Britain, by using a short-term strategy, thought it could shift the problem by luring Japanese investments, it is certain that it will fail, because the EC will ultimately be called on to define a common commercial policy, a community-wide industrial policy and a common social pol-

icy," he said. Mr Calvet's attack on the UK Mr Calvet's attack on the UK motor companies were unani-comes as the EC begins a fresh attempt next week to overcome of Japanese cars sold in the

ADMINISTRATIVE receivers

have been called in at Celeb-

rity Group, the owner of the Zodiac Toys chain of 95 toy

shops. The receivers hope to

sell the business, which

employs 600 people, as a going

This is the latest of a string

of receiverships at companies exposed to the downturn in consumer spending and to high

interest rates on heavy debt

burdens. Other retailers and companies supplying retailers

Zodiac Toys is the largest chain of toy shops in the UK,

although other retailers, such

as Woolworth, part of King-

fisher, Argos, owned by BAT Industries; and Toys 'R' Us, the US-owned toy retailer, have

larger market shares. Zodiac

Toys has an annual turnover

Boys-Stones and Mr Dipankar Ghosh, of Price Waterhouse,

to last long in receivership." Mr Boys-Stones said unpaid

suppliers were putting pres-sure on the company necessi-tating a speedy sale. Zodiac

Toys' bankers called in the

receivers on Thursday.

Last night the receivers were

FRANKFURT (Dire)

New York prices at 12,30cm.

NEW YORK (\$)

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Rises Bancaire Cie 590

Rises
Carlton Comms ... 795
Chemoxy Int'l 417
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LONDON (Pence)

Filsos Allianz

The receivers, Mr Richard

they were nobing "to achieve an early going-concern sale, as the business is unlikely

have also suffered.

of about £20m.

By Maggle Urry

Zodiac Toys chain

calls in receivers

petitive threat posed by the Japanese car industry in the era of the single European market, after 1992. The issue will be discussed

at a meeting of Community for-eign ministers in Brussels on Monday. However, member states are still sharply divided on how the bilateral restrictions on Japanese car imports in force in Italy, France, Spain, Portugal and the UK should be phased out after 1992. In the face of strong lobby-

ing by some leading car makers, EC governments are coming under growing pressure to introduce a long transitional period of continuing EC restrictions on Japanese car

At the same time, pressure is increasing from industry for Japanese cars produced in Europe to be taken into account in setting any future import restrictions.

Mr Calvet said European



EC, whether imported or made in European factories, to be limited to the current level for at least 10 years — or until EC makers' sales in Japan reached roughly half the level of Japanese marque sales in the EC. He said Japanese vehicle sales in Europe last year were 1.45m, nine times the 150,000 EC-made cars sold in Japan.

"The UK will have to decide

Jacques Calvet: Japanese cars pose a threat to EC jobs in favour of its national interests or for Europe. If it chooses Europe, and I very much hope it will, that means that the Nissan, Toyota and Honda plants in the UK will enter into the overall limit of Japanese cars, and that will mean a reduction of imports from Japan and probably elsewhere. The cars produced at Nissan's UK operation will have establish a design and engi-neering centre. When asked by a Japanese journalist why these cars should be consid-ered Japanese, Mr Calvet said: "Even if Nissan had 100 per cent local content as well as local design, they would go in the overall quota. The law is hard, but the law is the law." On the basis of known pro-jects, Japanese-owned produc-

an 80 per cent EC local content and the operation is about to

tion capacity in the EC could reach 1.5m vehicles a year over the next decade, he said. This competition, coming when there is already 15-20 per cent overcapacity in Europe, could cause one of the six full-line European producers to disappear, he said. Automotive analysts in

Europe question Pengeot's cal-culations on overcapacity, however, and point out that most of the assembly plants operated by the "big six" vol-ume car makers in Europe have been working at or near to full capacity for the last two years, buoyed by record new car sales.

Iraq plans to invite foreign oil companies to finance new fields

However, the weakness of oil

prices in recent years has

thrown most oil producers on to hard times. Oil producing countries have been seeking a

new relationship with the oil companies that would give

them access to finance and

technology. Billions of dollars worth of investment are likely

to be needed to avoid a supply

crisis and only the countries of

the Middle East have sufficient

reserves to supply growing

The move by Iraq could be

signal to other countries in the region that would lead to more

By Steven Butler

the shops, asking them not to close the outlets where arrears of rent were due.
Celebrity bought Zodiac
Toys in April 1988 for £7.25m, borrowing about £5m to help pay for it. Since then interest rates have risen sharply. Mr Boys-Stones said Zodiac Toy's with Iran.

debt level was still about £5m It was hard to say if a sale would raise sufficient to repay the debt. Most of the group's shops are held on short leases. Last month Celebrity sold its children's magazine publishing division - which published Rupert Bear books among oth-

ers - to Clearmark Group, the renamed Fergabrook Group, a USM-quoted toy and football maker and distributor, for up to £6m. However, Celebrity received only £1m of the price in cash. That deal left Celebrity with just the Zodiac Toys chain. At the time Mr Russell King, Zodiac Toy's chairman, said the deal "enables us to our core retail business of Zodiac Toys."

In late 1988 and early 1989 Celebrity had had ambitious expansion plans. It was a contender to buy Hamleys, the Regent Street toy shop, from Lowndes Queensway, the furniture and carpet retailer and to rescue The Post, Mr Eddy Shah's tabloid newspaper. ringing round the landlords of

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CHIEF PRICE CHANGES YESTERDAY

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+ 19 + 149 + 37 + 14 + 7 + 5 + 45 + 101 + 8 + 6

IRAQ is planning to invite foreign oil companies to participate in financing the develop-ment of new oilfields, in a polthe 1960s and growing power of the Organisation of Petroleum icy reversal which reflects the extreme financial pressure fac-Exporting Countries in the ing the country after its war 1970s when oil company assets vere nationalised.

The move is certain to be welcomed by the oil companies, which are keen to gain access to oil reserves since they are finding it increasingly difficult to replace their current production.

Mr Issam Al-Chalabi, the.

Iraqi Oil Minister, said in an interview with the oil journal Platt's Week, to be published on Monday, that a political decision had been taken to allow the oil companies back into the country and that preliminary approaches have already been made to some companies.

iraq and its Middle Eastern neighbours have progressively excluded the largest interna-

tional oil companies from reserves, have recently opened activities in the region following a wave of nationalism in doors to greater foreign involvement.

The precise terms for foreign participation in Iraq remain unclear, and Mr Chalabi ruled out the concept of a produc-tion-sharing deal, an arrange-ment which is common in other countries and which oil companies would prefer. How-ever, Mr Chalabi said oil companies would be paid for their investment with crude oil from projects and actual arrangements may, after negotiations, closely resemble a production sharing contract.

Iraq will be keen to avoid any arrangement that hints at old-style oil concessions, which many developing countries regard as an infringement of sovereignty.
On the list of fields to be

open to foreign participation will be the 7hn barrel Majnoon oil field, close to the border

opportunities for foreign par-ticipation. Nigeria and Algeria, Opec members with smaller Costs forcing Royal Mint to

jam jars and bottles.

He said the cost of making

the coins was "not much more than their face value but

enough more for us to consider making a change."

posed plated coins would last just as long as existing bronze coins and have the same

weight and diameter, but

Mr Garrett said the pro-

give pennies a touch of steel By Kenneth Gooding, Mining Correspondent

THE ROYAL MINT yesterday revealed one of the reasons it finds it difficult to produce profits from making money the cost of churning out 1p and 2p coins now exceeds their face value.

But the Treasury hastened to reassure customers that the penny will not go the way of the halfpenny. Instead of elim-inating the lowest-denomination coins in the currency - as has been rumoured for as has been ramoured for some time — the Treasury is considering proposals to pro-duce cheaper 1p and 2p coins from copper-plated steel instead of bronze.

There is more than small

change at stake. Demand for bronze coins has been rising rapidly — the number of 1p coins in circulation rose from 4.6bn to 5.1bn in the last financial year, while the num-

the Royal Mint's profit has would add up to a nightmare fallen from £7.2m to £5m in the past two financial for vending machine compa-nies — not only will some machines have to be repro-Mr Tony Garrett, the Mint's deputy master and chief executive, said there was no indication where all the coins had gone — he suspected they were being hoarded in thousands of learning and hottles. grammed to accept both thick and thin Ip and 2p coins, but older-style machines use mag-nets to assess the metal going through the mechanism.

"This is another bombshell. We don't like it," Mr Derrick Skinner, director of the Auto-matic Vending Association of Britain, said. The industry is already having to change its machines to cope with the smaller 5p coins coming this June and will then have to cope with the smaller 10p coins in June 1992.

Mr Skinner said each change

will cost the industry between £30m and £100m. "The Government should pay because it is imposing the changes on us. And we could not possibly cope with another change to the coins until after 1992."

would be slightly thicker. But there is no point in peo-ple melting down bronze coins to sell the metal — the copper and tin in them makes up only ber of 2p coins in circulation rose from 2.9bn to 3.25bn. But about half the production cost, Mr Garrett said. Any change

Hoffman La Roche

Continued from Page 1

stantial biotechnology activi-ties, will solve Genentech's dilemma about how to fund essential expansion of its research and development and marketing in the 1990s. Under the deal Roche will

have only two seats on a board that is being expanded from 11 to 13 directors. It will be able to boost its shareholding con-trol of Genentech by having an

option to acquire the rest of the company between now and June 30 1935. The Basic group has a separate right to buy up to 15 per cent of Geneatech on the open stock exchange. Yesterday morning Genentech's stock rose by \$8 to just over

Genentech's two main prod-ucts are Activase, a genetically

engineered beart-attack drug, and Protropin, a human growth hormone. The two drugs accounted for roughly three quarters of Genentech's 1989 sales of \$400.5m. Last year Generatech made a net profit of \$43.9m and with analysts forecasting \$60m of

1990 sales Roche is paying around 35 times prospective earnings.

Continued from Page 1

Ford electricians executive, is likely to have growing effects on Ford's plants as equipment requiring skilled electrical maintenance

The company, which insisted that it would not re-open nego-tiations on its deal, would not comment on whether it would try to bring in electrical con-tractors to try to perform some of the electricians' work.

The electricians' strike fol-The electricians strike rollows prolonged disruption at Ford's Halewood plant in Cheshire caused by an unofficial strike of 550 crafstmen following the deal. The Halewood strike has led to the lay-off of a communication of the strike has led to the lay-off of t 8,000 workers there. A further 2,500 workers have been laid off at Southampton,

body parts from the Mersey-side plant. About 150 maintenance workers at Ford's engine niant in Dagenham, Essex, are also on unofficial strike. Amalgamated Engineering Union shop stewards are to meet in Preston, Lancashire, on Monday to discuss the dis-pute. AEU leaders have argued that the Halewood strikers are isolated, but the electricians'

which receives Transit van

may undermine this argument. Mr Lew Britz, EETPU executive councillor, said the union wanted the company to with-draw plans for "integrated manufacturing teams" and extend a 5 per cent allowance offered to craft workers who

e-train. tion electricians are among the Semi-skilled line-workers hardest workers to recruit.

have been offered an extra 3 per cent allowance but the con-ditions for skilled allowances are more stringent. They will be paid to workers gaining electronics skills and joining manufacturing teams.

Ford, which drew up its two-year deal with the unions' year dear with the discon-national joint negotiating com-mittee, said it was not pre-pared to hold further talks or to raise its offer.

The company is likely to rely on some work traditionally done by electricians being performed by other craftsmen. The electricians think Ford's offer does not reward them adequately in view of their

A distant view of Johannesburg

In investment terms, the apparently sweeping political changes proposed yesterday in South Africa may be less significant than they seem. There nificant than they seem. There is no doubt that overseas portfolio investors — US gold bugs perhaps excepted — are underweight in South Africa. But it is worth recalling that the South African stock market is in global terms insignificant: worth less than 10 per cent of the UK market and under one per cent of the world total. per cent of the world total.

A significant change in pol-A significant change in policy by foreign institutions would obviously have a dramatic effect on the balance of supply and demand. But there are structural problems: Japanese institutions, for example, are barred at least formally from South African investment, and US investors may not buy any security issued not buy any security issued after October 1986. But from the institutional viewpoint, the central objection to South African investment is that of

chance that revolution may reduce the value of an invest-In those terms South Africa belongs with South America, or indeed with Africa as a whole. It may be worth invest-ing in politically risky econo-mies in the Pacific Rim on the grounds that the growth they offer is not elsewhere available. But anything which South Africa offers the investment of the state of th tor - gold, for instance - is available elsewhere, if more expensive. And in dry actuarial terms, any long-term invest-ment which could be worthless

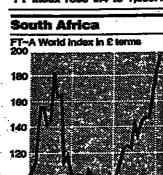
tomorrow can never be cheap whatever the price.

long-term political risk, or the

Genetech

In one sense, Genentech's demise as an independent company is unsurprising. The example of Smithkline Beecham and Squibb/Bristol Myers has made mega-mergers accepted wisdom for the drug industry. The 65 per cent pre-mium which Roche is paying for its initial 50 per cent stake may look rather steep; but con-ventional wisdom says hostile takeovers in the drug industry are impossible. Biotechnology companies have also proved their potential, so that portfo-lio investors have learned caution in putting up further equity. It was to be expected that Genentech would pay no dividends in its decade as a public company. It is less acceptable that its share price should have underperformed Wall Street by 70 per cent in the past three years.

FT Index rose 0.4 to 1,866.4



89 90

The more significant aspect of the deal is that Genentech is unique in the biotechnology business: not just the bigges and most successful, but the only company to have set itself up as rival rather than servant to the established drug indus-try. It now seems to be settling for a role as the blotechnology department of a Swiss company whose fortunes depend on conventional tranquillisers and antibiotics. Smaller biotech companies seem capable of maintaining their independence by undertaking research for the drug industry on a cost-plus basis. Genentech's success in developing products like human insulin, growth hormone and TPA made it more ambitious. Judging by

the \$500m of cash which Roche

is injecting as part of the deal,

its visions are greater than its

desire for independence.

Markets

So much for the January effect. It has been a horrible month for investors. The euphoria of the final days of 1989 has long since evaporated, and after Wall Street's 10 per cent correction and the sharp sell-off in global bond markets, it is hard to tell whether this week's calm is a temporary Iull, or whether the market has found a new floor. Throw in the negative effects on overseas returns resulting from sterling's rather surprising strength, and fund managers parking their money on the street at 15 per cent.

The big question now is whether it is time to begin tip-toeing back into the market. Sentiment is better than it was a week ago. The bond markets have stopped falling, Japanese investors have once again started pouring money into West Germany, and if they

US Treasury auctions then 8% per cent may well mark the current peak in long-term US rates. This would be welcome news for US equities which are still looking rather expensive relative to bonds.

This week's recovery in the

London equity market means that the FT-SE is still only 4.4 per cent off its all time high.
The bulls will take comfort from the strength of the share prices of politically vulnerable utility stocks such as water and British Telecom, and the re-emergence of takeover rumours. But the messages coming out of the economy and the corporate sector on both sides of the Atlantic argue for continuing caution.

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Chilean Telephones

Perhaps Mr Alan Bond is returning at last to the fold of financial orthodoxy, at least in one small corner of his empire, judging by the latest news about CTC, or rather Compania de Telefonos de Chile. CTC, Chile's telephone monopoly, has been part of the Bond fortunes since 1988, after Mr Bond spotted it while passing through Santiago on his way to buy the El Indio gold mine, and snapped it up from General Pinochet.

Now it seems the Bond plan is to float part of CTC on the New York Stock Exchange, albeit by way of ADRs; and if the Santiago grape-vine has the figures right, the issue will put a value of \$900m on the company as a whole, and \$470m on Bond Corporation International's 52 per cent International's 52 per cent stake. It is hard to think of a more traditional way of financing a Latin American utility. Connoisseurs of stock market history will remember Antofagasta Holdings (or "Fags"), floated in London in 1883 as the Antofagasta (Chili) and Bolivia Railway Company, and

still going strong.

More to the point, CTC sounds a good investment, a sort of Andean answer to Cable and Wireless. The bush-whacking Australians put in to run CTC may have upset the locals with price increases, but CTC has been growing after tax margins of 45 per cent, and plans to put in an extra 630,000 lines by 1997, plus a cellular network throughout the coun-try. It should be a better bet at any rate than the loss-making Bond International Gold, the El Indio's owner, floated in New York in mid-1988 at \$11.50 per share and now trading at about \$10.50.

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WORLDWIDE WEATHER

Close encounters of a multimillion kind

EVER MIND the greying hair and beard: he still looks and talks like a schoolboy. Never mind the Midas sums he earns: his off-duty clothes are jeans, baseball cap and hadge-smothered combat jacket. Aged 42, Steven Spielberg still answers to the description a "movie brat." The difference is that he is said to earn \$100,000 a day; he is the only living \$100,000 a day; he is the only living director almost everyone in the Western world has heard of, and, in terms of box office success, he is the most successful film-maker in his-

thry.
His success should not be measured only by his wizardry in generating cash, though. Spielberg was also able to catch and mould the important of a concration of cinealso sole to catch and mould the imagination of a generation of cine-ma-goers. He has done more than any other director to influence the culture we live in. Movies such as Jours, Close Encounters of the Third Kind and ET have shaped popular response not just to cinema but to the world and world events. Spielberg's sci-fi fantagies, especially the worm and world events. Spiel-berg's sci-fi fantasies, especially, have been uncannily prophetic. They tuned into a post-Vietnam craving for peace. And, years before glasnost, they foresaw an age when alien beings — space persons? Soviet leaders? — might offer the hand of friendship rather than the fist of war.

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At the peak of his success Spiel-berg had produced or directed five of the 10 top-grossing movies in his-tory. (ET stood, and still stands, at the top of the heap). His name com-mands awe in Hollywood and points east. Last year alone, Wonder Brat struck gold with Indiana Jones and the Last Crusade (as director) and the Last Crusade (as director) and Back To The Puture Part 2 (as executive producer). This year, his latest film as director, Abouy, opens in Britain along with a fistful of new films from Amblin Entertainment, the production company he founded in 1984.

Lately, though, the trusting, wide eyed side of Spielberg that created ET, Buck To The Future and Always has raised detractors' hackles. Just how welcome is this growing "empire of innocence" in a heigh-of-millennium era like over ing "empire of innocence in a brink-of-millennium ara like ours when we surely need the weapons

of sophistication as much as those of bright-eyed naivety?

Spielberg insists he is now emerging from his Peter Pan phase. "My last film, Empire Of The San, was about the death of imnocence, not a celebration of it," he claims turning J. G. Bellard's harsh and vivid war novel into a Boy's Ownadventure with bits of St Steven

inspirationalism). msparanousasm).

When Spielberg and I met in a
Los Angeles hotel on a sunny day in
December, he was in the middle of a
movie launch. He had previewed Alteges to a test audience, including me, the night before. And, clearly, he felt like an anxious parent at a entiting out party for his first grown-up movie romance. Alactys stars Richard Dreyfuss and Holly

Hunter in an update of a 1943 Spen-cer Tracy film, A Guy Named Joe, in which a dead war pilot returns to become guardian angel to his bereaved girl-friend and the new man in her life.

bereaved girl-friend and the new man in her life.

No spaceships, no sharks, no whip-wielding heroes. None of the grappling hooks with which Spielberg previously has assaulted andiences and box-office records. "The whole movie's about a kinahip between soul-mates," he says. "I first wanted to make this picture 10 years ago, with Paul Newman and Robert Redford. But although I developed a script, I felt I just wasn't ready then to make a romantic movie. It's taken me nine years to grow up, and now the film has to grow up, and now the film has become more than just a love triangie, it's about loss and how you deal with it. I love the premise of a man dying buf coming back to earth and

dying but coming back to earth and being able to communicate."

Spielberg might claim to be growing up but the yearning-for-home motif in Always, where "home" is life itself, has anchored his movies to audience emotions for 15 years. ET's croaked out bi-syllable "Phone borne" is an warded as the element. home" is as magical as the clapped-out bicycle on which he rides into the mounlit sky.

Spielberg provides his own auto-biographical gloss. "I think the

I started making movies when I was 12. It came out of boredom . . .

longing for home comes from my own life. I've lived in so many different places since I was a child (that) I felt I never really had a nome, and that's a feeling many people can respond to." The fantasy element in his movies also had childhood roots. "It's a proble in where I grew in in submitte in where I grew up, in suburbia, in Phoeniz, Arizona. It was a place where excitement was nowhere to be found and you had to create it if you wanted to enjoy your teenage

"I started making movies when I was 12. It came out of boredom, and that's also why I joined the boy scouts where I learned how to make films. There was a photography merit badge I wanted to achieve and I made a little movie on my dad's Sum camera, even though the rules said you had to tell a story with still photographs. Once I could make films, I found I could 'create' a great day or a great week just by creating a story: I could synthesise my life. It's the same reason writers get started, so they can improve the world or fix it. I found I could do

anything or go anywhere or live anywhere, via my imagination, through film."

Spielberg made an early mark in talevision and low-budget features but it was with three films, made in

Before Gorbachev there was Steven Spielberg. Nigel Andrews meets the king of the movie-brats - the man who is the most successful film-maker in history



an eight-year purple patch, that he hecame a world name. They were Jaus (1975), Close Encounters (1977) and ET (1982). Each hit the right audience mood at the right time. To can't tell you why they were so successful, he says. The never set out to coincide with audience tastes or moods. I make what I want to make. The never 'crystal-balled' a fad. If Jaus had been made three years earlier, it would still have been a hit. ET could have been made four years either side of Ronald Reagan, although it wouldn't have done as well in the early '70s have done as well in the early '70s and I don't think it would do so well

"So, yes, there are national mood swings. There are times when peo-ple want violence or sex in films. And there are also times when people crave innocence, a return to their childhoods. But, as a film-maker, you can't ride with that. You've got to ride with your own feelings at any time and hope peo-ple respond."

Today, Spielberg holds dominion over the box office, not just with his

hands-on films as director but with his hands-off films as executive producer. Movies bankrolled by his Amblin Entertainment company have included hits like Gremlins, hinerspace and Who Framed Roger

'I had a gut reaction to The Color Purple and Empire of the Sun'

Rabbit? not to mention (although Spielberg's tax inspector certainly will) the lucrative Back To The Future series. Never in history has one man combined, to this degree of success and influence, the roles of movie director and movie executive.

"I stopped hands-on producing two years ago," says Spielberg. "I wanted more time to direct my own movies which is why, for the first time in my career, I've made two films in one year." (Indiana Jones 3 and Alvays). "Now, if it's a film Amblin is producing, I hardly ever go on the set. I'll see rough cuts, I'll make comments, that's all. And, of course, I'll decide what films we're going to do. It's my decision to do Back To The Future 2 or Dad or Who Framed Roger Rabbit?" So, unlike his friend and fellow Croesus, George "Star Wars" Lucas, for success and influence, the roles of sus, George "Star Wars" Lucas, for whom he directed the Indiana Jones series, Spielberg is not forsaking the camera wholly for the company led-

There are questions, nonetheless, about the direction his career is taking. Until ET, his films were either glowing successes or venturesome commercial failures (The Sugarland Express, 1941). Since ET, many of the movies he has directed or green-lighted for Amblin have been (judged by both critical opinion and

box-office response) dismayingly anodyne. And Spielberg's own attempts at grown-up movies, The Color Purple and Empire Of The Sun, look like only semi-successful bids to outgrow the "magic innocence" label stuck on him from earlier bits

"I didn't make The Color Purple and Empire Of The Sun because I wanted to shake off a label," Spielberg insists. "I had a gut reaction to both novels. Ballard's book was a very moving story about the death of innocence. Before that, I had only done films celebrating innocence. And I made *The Color Purple* because I cried reading the book. I found it very moving, I don't know

why.

In his own directing portfolio,
Spielberg denies there is any creative distinction between films that
might seem glorified hack work —
the Indiana Jones romps — and more personal projects, including Always. "I don't divide my films. It's all just movie-making to me. For instance, this year was really busy, it's the first time in my career I've had two directed films coming out in America in the same year. But I enjoyed that because all my heroes in the past — directors like Raoul Walsh or Howard Hawks — they'd make three or four films a year. And they could do that because they weren't involved so much in pre-production or post-production. The studio would take care of all that: editing, music, sometimes even the casting. It was a factory process back then, totally different from today. But it could still turn out classics: films like Casablanca, which came not out of Casablanca, which came not out of great forethought or white-hot inspiration but out of accident, almost, combined with great studio organisation."

organisation."
In today's Hollywood, though, the one-man band is king — and Spielberg reigns supreme. His greatest feat to date could be the way he has shaped an age as much as that age has shaped him. His three bestknown movies used fairy-tale sto-ries to joit popular attitudes in a new way. Before Jaws, there was no tradition of "eco-horror" in the cinema. The film ravaged audiences because its guerrilla-killer rhythms played on Vietnam war nerves and because it suggested that nature itself (not just the human killers concealed in it) could turn suddenly on us - Empire Of Innocence (part

ET both reversed a tradition that once seemed inseparable from sci-fi: the idea that "they" were hostile. Spielberg presented beings from another world who were both lovable and loving A post-war genre that had risen in the 1950s as a barely velled exercise in Cold War paranoia, with self-declared para-bles of anti-communism like Inva-sion Of The Body Snatchers, was into a vehicle for entente and imagi-native friendship. Before Gorba-Continued on Page VIII

The Long View

Locking out the insider cheats

INSIDER dealers have come in from the cold. It seems that unless they confess or make incriminating statements, Erit-ish justice is more or less helpsa against them. How has this come to pass, and does it

It certainly matters if you helieve stock markets are rational places where important decisions are taken on the basis of significant information. It matters less if they are regarded more or less as ran-dom casinos in which gamblers must be prepared to take the rough with the smooth. Still less does it matter if the market is rigged and cheating is institutionalised (although this begs the question of who exercises ultimate control).

Insider dealing is character-istically an Anglo-Saxon prob-lem. This does not mean that it harpens only in Anglo-Saxon markets, but it is only the Americans and the British who take it very serionsly (although the European Commission is developing a directive on it).

For the Anglo-Saxons, insider dealing involves two crimes. One is that insiders steal from other investors who buy or sell at the wrong price. The other is that, by implication, the functioning of the market is impaired because economic decisions are made on the basis of wrong informa-

Some argue that insiders can actually help in this respect, by signalling correct information which would not otherwise be available. But if manipulation gets too prevalent, honest and prudent investors will steer well clear of the stock market and all its associated evidenmg. Because the market plays an important role in financing industry, that aversion could have serious economic conse-

Unfortunately, the American and British stock markets have developed in ways that play into the hands of insider traders. They have become both liq-uid and volatile, and market authorities are anxious to ensure continuous operation with a minimum of trading halts. To an increasing extent they co-exist with "derivative" markets in options and futures which enable investors to raise the risks and returns compared with the already volatile underlying market. Cheating can, therefore, become even more profitable.

Meanwhile, major corporate decisions are made increasingly through take over blds and deals which usually result in sharp changes in price lev-els. Ethical attitudes do not face such regular tests in, say, Germany where the stock n ket is rarely entrusted with such important decisions.

If the detectives and the

enforcement agencies cannot crack the insider dealing problem, there remains the disturbing possibility that investors themselves will have to make sacrifices. The operation of the markets will have to be modified so as to reduce the scope

The role of takeover bids will for instance, have to be downplayed - not an easy matter



As the law battles vainly to cope with insider trading, the question is whether investors would do rather better to build some defences

because they have become a tremendously important element in the exercise of institutional ownership of industry in the UK and the US. Also, investors may have to be prepared to endure suspensions of dealings for protracted periods for example, during the several months of anti-monopoly investigations or take-over negotiations. There is a logical puzzle at

the heart of the Anglo-Saxon approach to insider trading. In an efficient market, only access to privileged information can enable an investor to out-perform. Therefore, inves-tors are searching for inside information which is legal rather than illegal only on the basis of fine definitions about who is or is not an insider. This has proved a difficult area to criminalise. Perhaps

the law could be re-drafted, or perhaps there should be more emphasis on civil action, as in the US. But American suc-cesses with insider prosecution (and there have been many failures, too) have relied upon characteristically American enforcement agencies, and on legal procedures such as plea bargaining. There is no tradi-tion of this kind of prosecution in Britain, where it might be more fruitful to rely on public exposure of breaches of business ethics, and exclusion from the "club."

Is there a quite different solution, though? After all the world's biggest stock market, in Japan, operates on contrasting criteria (albeit also suspect). Here, insider trading tends to be institutionalised. Stocks are ramped ahead of new issues. Clients thought deserving of special help are directed into "ambulance"

Occasionally, examples emerge of excessive manipulation - last November, Daiwa, one of the Rig Four securities houses, admitted it might have been "over-zealous" in shuffling shares through subsid-

the massaging of the market in order to permit the privatisa-tion of NTT at an outrageous price, or to enable the hanking system to be re-capitalised at a low cost, is considered not only to be unobjectionable but also in the national interest. The problem of reconciling the winensuring that all this is done in the context of an upward trend in prices which enables every-body to make a handsome (although not equal) profit in

It is the presence of the Japa-nese alternative that makes it necessary to ask questions about the Anglo-American insider trading assumptions. There is prima facie evidence that, in some ways, the man-aged markets of Japan work better than the free-whe markets of the US, and Ameri-'can trade negotiators are furious about it. But the answer cannot really be to be emulate Tokyo. Japanese practices cannot in this area, or in most others, he transplanted outside Japanese society. In any case, the Japanese will have to come to terms eventually with the over-inflation of their asset val-

The more general lesson is that investors will have to help in finding a way of making life harder for insider traders. PC Plod can help in preventing burglary but the householder must make the first move by bolting his door, even if that is inconvenient. Stock markets might think about fitting a few locks, too.

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IX TV and Radio

THE BUDGET will be brought down by the Chancellor on March 20 and speculation on what it will contain has started already. Informed opinion is that this year's Budget is unlikely to contain any major reforms, or any changes in income tax rates. But perhaps the biggest question mark options on Page III.

FINANCE & THE FAMILY: THIS WEEK

Old options for new

THE STOCK market - as measured by the FT-SE 100 index touched a new peak early in January but many share. prices remain in the doldrums and many executives with share options have had a miserable start to 1990. But a company can offer instant relief to its employees by allowing them to swap old options for new. David Cohen explains. Page Y.

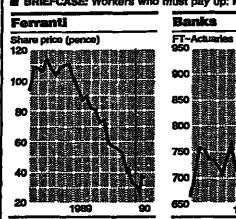
Labour eases pension fears

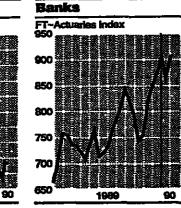
MANY EMPLOYEES using personal pensions to contract out of Serps (the State Earnings-Related Pension Scheme) have had a very good financial bargain although there has been one cloud in what has, to date, been a clear blue sky: What happens to these personal pension contracts if the Labour Party wins the next general election? Now, Labour has made its intentions known and, says Eric Short, there is re-essuring news for the 3m involved. Page VL

Minding Your Own Business

ROY HODSON discovers an art gallery with more than a passing interest in good company and meets two Dubliners with definite designs on talent. Page VII

BRIEFCASE: Workers who must pay up: Page V





Ferranti shares stage a strong recovery

IN JUST a week, Ferranti shares have staged a strong recovery from their low point of 26p, rising by more than 50 per cent at one point to 40p. This still leaves them far short of their value last year before the company was struck down by write-offs on fraudulent contracts. At the moment, though, the company is enjoying a respite from a long string of bad news, following the sale of a large slice of its defence electronics business to GEC. This means that share-holders are unlikely to be called-upon to stump-up new finance in a rights issue, while the company's recently-launched £400m damages suit against accountant Peat Marwick-McLintock holds out some hope of financial recovery from the fraud. - Terry Dodsworth

A bubbling week

THE APPOINTMENT of ex-Chancellor Nigel Lawson as a director of Barclays Bank coincided with its shares reaching an all-time peak. But it was only one of a number of events that kept the banking sector on the London stock market bubbling this week. On Monday, the Bank of England published a revised framework of bank provisions against Third World debt, increasing its requirement from 30 to 50 per cent. The Royal Bank of Scotland was depressed briefly by reports detailing its exposure to highly-leveraged transactions (HLTs) but said later it needed no extensive new provisions against its exposure. Bid speculation in the Royal Bank flared up again yesterday, as it did with Standard Chartered earlier in the week. Meanwhile, Hongkong & Shanghai Banking was reported as being interested in buying Lloyds Bank of Canada, while TSB denied it planned to self Target, its life and unit trusts subsidiary. This month sees the start of the big four banks preliminary reporting season. National Westminster is firs on February 20 followed by Midland (22), Lloyds (23) and Barclays on March 1. - Stephen Thompson.

Dominion agrees a buy-out

DOMINION INVESTMENT Management, the financial services subsidiary of the troubled Dominion international Group, confirmed this week that it had agreed a management buy-out in principle, John Wilson, the managing director, said it would soon be in a position to announce a new partnership with a major investment institution. He stressed that Dominion Investment Management was not in the hands of the administrator appointed for the Dominion International Group and there were no cross-guarantees of any kind. — John Edwards.

Housing market stirs

PROSPECTS FOR the housing market in 1990 are considerably brighter than last year, according to the Woolwich Building Society. Its latest House Price Guide Indicates that, over the past six months, property prices in some places in the south of England have moved back to 1987 levels while there are signs of modest rises in the north. The society said buying demand had picked up and forecast that interest rates would begin to fall by the summer, with mortgages 1.5 to 2 per cent lower by the end of the year. — J. E.

LONDON

Less confidence than simple speculation

appointing former Chancellor rel Lawson to its board was not reflected in the City's attitude to equities. It was not that shares fell much, or rose sharply: it was that the legend-ary Lawsonian determination and single-mindedness were mous by their absence among investors.

The modest advance in the FT-SE 100 index on the week was more a reflection of speculative buying in the oil and insurance sectors than a re-awakening of confidence. Even the rise in Barclays' shares themselves on the day of The Appointment was blamed on humdrum dividend buying ahead of the group's results on

It did not help that Wall Street and Tokyo sent conflicting signals. For most of the week, markets in both centres moved in opposite directions and still managed to end up

AS USUAL, the bond market

was 180 degrees back to front in its initial reaction to yester-

day's employment figures. For-tunately, the almost universal

view on Wall Street - that equities must always follow

bonds in slavish imitation -

turned out to be wrong as well.

market into a casino.

too far, too fast.

week as well."

of bonds.
This defled such widely-fol-lowed pundits as Alan Sinai of

the Boston Company, who was predicting, even as the market opened: "The stock market will

probably go with the bond market. If the bond market is weak, the stock market will be

not far from their starting posi-Anyone who sought broad influences on sentiment had to look to domestic matters. One

likely-looking candidate was the CBI quarterly industrial trends survey. It said that confidence was at its lowest since 1980 and that Britain was on the edge of a recession. The market was not surprised, and there was a token dip in Foot-sie before shares resumed their unhurried and aimless perfor-Much of the small rise on the

week was the work of investors in oil stocks. The sector is at an all-time high relative to the market, and analysts have been making increasingly positive noises on the prospects for exploration and production. Lawson's new employer

or, at least, its securities arm, BZW - led the way with a 100-page glossy report forecasting that a barrel of crude

would be \$28 in 1985. The price yesterday was \$20.68. Shell and BP shares did well, while LASMO was given an extra boost by news of drilling suc-

Continued vague bid talk also boistered demand for oils. This week's favourite was Enterprise. The French group Elf has a 25 per cent stake and has publicised its intention to buy more shares. Speculators were not distracted by Elf's announcement that it was in talks to buy Amoco's UK refining and marketing business and Enterprise ended 24p higher on the week at 676p.

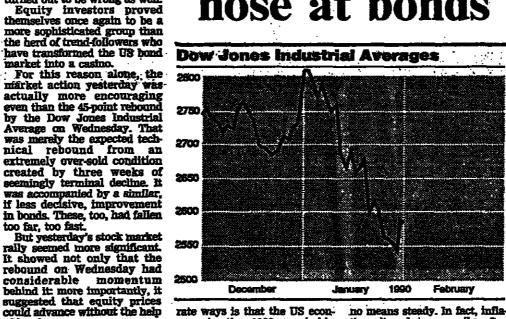
There was no let-up in sto-ries of a bid in the insurance sector, either. With 1992 in mind, French insurers were said to be eveing the possibili-ties, although many observers were keeping a close watch on Sun Alliance which has a 14.5 per cent stake in Commercial Union, 13p higher at 514p.

HIGHLIGHTS OF THE WEEK

	y'day	Change Change	1989/90 1989/90	1989/90 Low	
FT-SE 100 Index	2355.1	+40.6	2463.7	1782.8	Steadler trend on Wall Street
ABB Kent	169	+37	175	86	178p a share bid from ABS parent
Aviva Petroleum	34	+74	34	412	Colombian drilling hopes
Barclays	586	+32	588	404	Preilm. figs, due March 1
British Petroleum	348	+16	348	249	Oil sector re-rating
British Telecom	810	+20	316	24212	US buying/3rd qtr. 5gs. due Feb. 8
Chemoxy Intl.	417	+154	417	223	Bid from MTN
FR Group	190	-35	261	185	Profits werning
Menzies (J.)	314	-19	430	281	22.5 per cent profits decline
Next	28	+10	163	78	Reports of Sears stake
Royal Bank Scot.	214	+1112	218	. 139	Takeover spec/LBO fears overdone
Shell Transport	487	+26	501	327	Sector re-rating
Sock Shop	46	-24	193	45	Profits warning
TGI	99	-21	178	95	Profits warning
Tritton Europe	234	+59	235	142	US perent to sell 59.5% stake

WALL STREET

Equities thumb nose at bonds



December rate ways is that the US economy in the 1990s probably faces a long period of creeping inflation — not the steady deflation which bond investors still expect generally and for which they certainly hope. If this is true - and the country's political conditions, industrial structure, trade situation and demographic evolu-tion suggest that it is - then the 1990s will be a bad (or, at

It is too early to predict that the equity market will become best, an indifferent) decade for bond investors. uncoupled decisively from bond prices. But the mere pos-sibility that it could occur is of Inflationary prospects are certainly not as bad as they were late in the 1970s when the greatest importance to In fact, an uncoupling inflation accelerated from 5.5 to 13.5 per cent between 1976 and 1980. But an upward drift ween bonds and equities is likely to prove the most impor-

tant pre-condition for the bull similar to the one seen late in the 1960s and early 1970s seems market on Wall Street to convery plausible in the years tinue, either in the short term or over the next few years. The most fundamental rea-son for hoping that equities Between 1968 and 1973, infla-

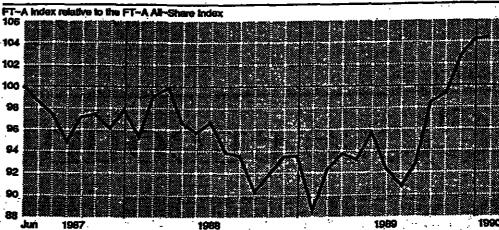
no means steady. In fact, inflation dipped temporarily after the brief recession of 1969-70. But the underlying trend remained upwards and culmi-nated in the oil and commodity shocks of 1973-1974. These raised inflation in the US briefly into double digits in 1974 and plunged the economy

into a deep recession.

Without predicting any such disaster on the distant horizon, it is easy to see the similarities between the present position of the US economy and its condition 20 years ago. In cyclical terms, the econ-omy is enjoying an uninter-

rupted expansion which seems set to equal, or best, the nineyear record established between 1960 and 1969. As in the late 1960s, US cmrent account deficits are the main economic imbalance son for hoping that equities and bonds can go their sepa-tion edged up slowly from 4.5 which will eventually have to 6.5 per cent. The rise was by





vulnerable to falling consumer

spending MFI is also a man-

agement buy-out, a club whose

Other good performers were General Accident and Guard-

ian Royal Exchange.

Those who preferred firmer ground on which to assess companies had the familiar round of bearish announceents in the retail sector from which to work. Sock Shop International, which was 53 International, which was 53 times over-subscribed on its USM floation in 1987, warned that it expected to make a material loss in the year to February 28. The shares fell 24p to 48p, compared with the floation price of 125p and a 257p closing level on the first day of trading.

Newsagency chain John Menzies revealed a 22.5 per cent fall in profits on Monday, which prompted some rapid re-thinking of what was expec-ted from rival W. H. Smith on Thursday. Smith duly turned in a set of figures well below the bottom end of the range of market forecasts.

The glumness in the retail sector was relieved only by a snippet of good news from an unquoted company. Furniture retailer MFI said it did not need another cash injection. The positive reaction to such a mild announcement might have puzzled the casual onlooker, but MFT's rivals in the housewares' sector have via a string of profit warnings in recent months - shown themselves to be particularly

exchange rates and shifts in

the pattern of world trade.
Politically, the pressure to
deal with social problems is

becoming irresistible, even if the response this time might not be to spend government

money but, rather, to avoid

even a shallow recession at all

costs.

The present talking by Fed-

their implausible plans to cut inflation to zero only under-lines the lack of political will to do any such thing. To force inflation down through the

floor of the 4 to 5 per cent

range in which it has been stuck since 1963 would almost

certainly require a recession and a substantial rise in unem-ployment. The American pub-lic simply will not tolerate this.

It his analysis of long-run conditions in the US proves accurate, the early 1950s will not be a happy period for long-term bond investors. But a mildly inflationary environment could actually be quite bullish for many equities.

bullish for many equities.

The problem is that the type of companies that would be

beneficiaries of an inflationary

period - natural resources, housing and selected industrial

stocks - would differ strik-ingly from the "deflation plays" which have been lead-

ing Wall Street upwards in the

past year and a half.

And, as many analysts have pointed out, such a profound

change of market leadership would almost certainly require a bigger general setback than

the stock market has suffered

so far. To make matters worse, there still remains the possibil-

ity of a substantial economic

slow-down next year if the anti-inflationists at the Fed

prevail temporarily as they

ments should not come closer

Anatole Kaletsky

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did, briefly, late in 1969.

members are out of favour in the City as a result of high interest rates and the variable quality of their managements. That poor onlooker could have been forgiven for demanding an ex-Chancellor as adviser, given other apparently perverse price movements during the week. A bid on Thursday had the unusual effect of prompting a fall in the target's share price. Sir Ron Brierley, the New Zealand businessman. confounded some of his followers in the City by offering actually to take over a company. Sir Ron has stakes ranging from 3 to 33 per cent in a dozen quoted UK businesses including such famous names as

Vickers, Budgens and Hogg Robinson. He generally buys and sells small portions of these stakes, and share dealers cometimes complain that he is competing with them. On Thursday, however, he offered £55m for GPG, formerly the Guinness Peat Group.

Two-thirds of GPG's shares are in the hands of bank creditors, who received their stakes when a debtor went into receivership. Keen to liquidate, they accepted Sir Ron's offer and GPG shares fell 2p to 21p.
The pharmaceutical company, Wellcome, made a long-awaited breakthrough in the

US only to see its shares fall steeply. On Tuesday, the advisory committee to the Food and Drug Administration recommended that the company's Alds drug, Retrovir, be used with patients who have the virus but not the symptoms of the disease. If the recommen dation is adopted, which is standard procedure, the num-ber of potential users of the drug in the US will jump from fewer than 100,000 to between im-2m. But the City expected the decision and short-term holders took their profits.

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The latest episode in the soap opera-like tale of Blue Arrow stimulated interest for a day or two. It is the story of a determined and single-min American called Mitchell

In 1987, his vast Manpower employment agency was taken over by its much smaller UK rival, Blue Arrow. Since then, Blue Arrow has seen a rights issue scandal, most of its shares sold gradually to US institutions, and the replacement in a boardroom coup of Tony Berry, its founder, by Fromstein himself.

On Monday, Fromstein said the company was moving its headquarters back to the US and changing its name to Man- a polgnant end to Dower small slice of corporate history.

Daniel Green

JUNIOR MARKETS

Pride comes before a fall

IT is now something of a traism that the more accolades heaped on a business, the more imminent its downfall. A corporate super-stars of the mid-1980s have fallen from grace, and being described as the Young Businessman of the Year is virtually courting

An equally mixed blessing, it seems, has been wished upon the front runners for the USM Company of the Year award, a competition run by USM Magazine and Coopers and Lybrand Deloitte. Of the companies nominated for the award in 1968, in only two cases — Blenkeim Exhibitions Group and Ashtead Group have shares out-performed the

USM index Among the others, the shares of Savage Group, a hardware products distributor, has fallen by 68 per cent; D. C. Cook, the motor dealer, has registered a 69 per cent fall; Sock Shop (which this week announced it would go into loss this year) has dropped in value by 80 per cent; and Miller & Santhouse, the spectacle chain, reported a severe drop in profits last year and was taken over by Boots.

The performance of the 1989 candidates for the award is not much better. Over the past year, Blenheim Exhibitions Group did well (yet again) with a 26 per cent rise in its share price; and Cityvision, the video hire chain, soared above the clouds with a 145 per cent increase in value. But hitys, the computer services group, Colorvision, the television retailing chain (which this week announced a 6 per cent fall in pre-tax profits), and Heritage had a tougher time, reflected in the respective 13, 24 and 55 per cent falls in their share prices.

Meanwhile, Parkway Group, a pre-press production service company which won the award last year, truly came a cropper with a 63 per cent fall in above the clouds with a 145

with a 63 per cent fall in So far, so feeble. But, of

course, the stock market's appraisal of a business is not the end of the story. Several of these companies have been innovative in a way that transcends temporary hitches in their fortunes. their fortunes.

Take, for instance, Colorvision's distinctive management philosophy. All its outlets are "management enterprises" which are part-owned and run independently by their own

which are part-owned and run independently by their own managing directors. Even in the present tough conditions in the high street, the company claims it has a competitive advantage. "My managers are fighting for survival. They are not just doing a job," said Neville Michaelson, the chairman, this week.

Terry Dodsworth offered by other contenders for

this year's award. For example, Ashtead Group, the plant hire company, claims to be a

photo-copier and vending machine contractor. Under its idiosyncratic cost-control system, a certain percentage of revenue is set aside for profit while the rest is divided between different cost centres such as service, finance, administration and distribution. These departments pay their overheads and then

Originally, Ashtead and Capita both were management buy-outs. Perkins Foods, another potential winner, exemplifies the effect of a management buy-in.

Davies (a former chairman of Imperial Foods) and Howard Phillips (the chief executive of Golden Wonder) bought their

this year's award are Norfolk House, a property developer which has become the third-largest independent petrol sta-tion operator in the UK, and Alan Paul, the Wixral-based handressing chain hair-dressing chain.

a bright red Ferrari with a USM1 number plate at the company's flotation was a sign of hubris, the extra burden of winning the USM Company of the Year award might be

Vanessa Houlder

THE INVESTMENT trust movement has the wind in its year in which the average trust out-performed the FT All-Share index, returning well over 33 per cent in capital growth to its share-holders. It is also seeing a steady increase in interest from private investors after. years of languishing in the hade of unit trusts. All this activity is lending

new vigour to the old argument over the respective mer-its of investment and unit trusts – a dispute that is being given an additional twist by the review of investment trusts now going on at the Securities and Investment Board. The SIB is looking at investment trust marketing, including the possi-bility of a change in the rules allowing them to advertise like unit trusts. Many proponents of investment trusts contend that unit trusts have gained their leadership of the collec-tive investment industry only because of their freedom to self

The latest blow in this war of words was struck this week by Warburg Securities in its tures [investment trusts tend to be chesper for the public to

Trusts renew war of words

weighty review (literally: it deal in] reflected the tougher runs to 630 pages) of investment trusts. Warburg has produced some heavy statistics on their behalf, demonstrating that behalf, demonstrating that many investors have achieved a better return than those who have chosen unit trusts. The Warburg figures show investment trusts leading in five out of seven categories of stock market investment over the past five years, including the rapidly growing Farming the resulting stock. ing the rapidly growing Far Eastern funds sector (although unit trusts had the lead in Janan, the UK and the US). The Unit Trust Association joined this argument a few

investment trusts are allowed to take stakes in more speculative areas than unit trusts.

It is hard to resist the UTA's contention that these activities ing its support for the status quo. Unit and investment trusts, it said, were comple-mentary, not competitive; their performance was not strictly comparable because of differ-ences in the way they were managed; and their cost struc-

Investment Trust At the heart of these arguments is the contention that tal, people who buy their stock have a double opportunity for gain or loss - the price of the investment trust shares themselves, and the underlying price of the assets in which the trust is invested. Moreover,

are in many ways comple tary to those of the unit trust movement. Individual savers attracted to the stock market may want investments which are less bland than a building society deposit, but they may not be willing to grapple with the peculiarities of investment

Net asset value (5 yrs % increase) 250 For Eastern ently more risky for individual savers. Because investment trusts have a fixed share capital, people who buy their stock have a double commitment. tik Benefel

Internatore
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> trusts when they have the simpler option of buying into a unit trust. Indeed, the Warburg report makes the point that investment trusts were "origi-

Total return 31/10/1989 Source: ATC

nally created for the wealthier private investor, not the ordi-This suggestion is under-scored implicitly by one of the features of investment trusts which particularly attracts the authors of the report: the complex new devices developed to respond to highly specific investment demands. Many of these instruments — such as zero compon preference shares, or the income and capital shares in split capital funds demand a fair amount of spe-cialist knowledge. Often designed for people who have unusual requirements from their investments, they are not for novices.
In emphasising the comple-

mentary aspects of the investment and unit trust move-ments, however, the UTA seems to be pointing to areas where they have a common interest. Underlying this is the implication that there is no reason why the two move-

together so long as they do not pretend to meet the same demands. This point is all the asier to make since they are facing several common oppor-tunities and challenges. One is the need to support the case of collective invest-ment vehicles after a period in which Government privatisa-

which Government privatisations have whetted the public appetite for equities without taking it very much further. Another is the question of personal equity plans. Both organisations are anxious to become fully-accredited vehicles for PEP investments, doing away with the restriction under which only half the £4,800 which only had the 24,000 allowance can be invested in them. Both of them ought to benefit, as well, from the introduction of independent taxation for married women, a development which will make dividend income, on which tax can be reclaimed, attractive to many savers; and they might benefit from supporting each other in regulatory battles in

"team effort in a class-less company." It motivates it work force - known as staff members - with an incentive scheme that depends on the profits and return on invest-ment of each individual depot. Another distinctive incentive scheme belongs to Southern Business Group, a

share whatever is left between

Another nomination with a management theme is Capita, a management consultancy specializing in the public sec-tor. As such, it is well placed to benefit from the potential chaos stemming from the health service reforms, the pri-vatisation of public services, and even the poll tax. One of its most promising areas is Telecom Capita, a joint ven-ture with British Telecom that offers computer management suvices. This venture, which secured £25m of business last year, numbered among its activities the poil tax bills of 1.5m residents in 14 local

In August 1987, Michael

way into the lack-justre meatboning and packing company. Since then, it has bought businesses hand over fist in its quest to make the company a broadly-based north European food group ahead of 1892. The two other candidates for

hair-dressing chain.

Alan Paul is a highly-rated business which is confident about the future. (It reckons, for example, that it will continue to do well since people seek solace in a new hair-cut in hard times.) But if sporting the desired well a seek solace in a new hair-cut in hard times.) enough to guarantee a fall.

THE ANNOUNCEMENT of the Budget date (March 20) each year marks the time when you should start considering what you should do either before the Budget, or before the end of the fiscal year on April 5. Weekend FT will be running

a series of articles in the weeks before March 20, pinpointing the main areas where action is

We will be concentrating on two main aspects. One is action that may be taken to anticipate possible changes in the Budget. The other is the normal annual steps that should be taken before April 5, but which might be brought forward to before the Budget, just in case.

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Speculation on what the Budget will contain has already started. The accountancy group, KMPG Peat Marwick McLintock, for example, this week published a special booklet proglement what it booklet previewing what it thinks may be included.

This year's Budget is unlikely to contain any major reforms, if only because the new Chancellor would not have had the time to evaluate any basic change in strategy. It is also generally agreed very unlikely that there will be any changes in income tax rates this year. Indeed, it is being suggested that the Chancellor may increase the tax bill in real terms, by not adjusting the personal allowance and other tax free exemptions folly in line with inflation during

the past year. Perhaps the biggest question mark of all hangs over capital gains tax. The annual exemption from CGT was lowered in the 1988 Budget from £6,600 to £5,000 to reflect, according to the Chancellor, the general reduction in fax rates at the time. In fact for many inves-tors the introduction of two rates of CGT, bringing it into line with income tax rates,

meant an increase.

The introduction of independent taxation for married couples with effect from April 6 has stimulated speculation that there will either be a change in capital gains tax rates, or its replacement or even abolition. The problem is that if the Chancellor does nothing then married couples will together have an annual exemption of £10,000. That may prove an unacceptably high since if would reduce the

low level of revenue from capital gains tax even further. One solution would be for the Chancellor to halve the rate to £2.500, retaining the 25,000 exemption for married couples, while making the rest of the population pay more. Or he could restrict the present free transfer of assets between couples on the grounds that if they are individually taxed there is no reason why they should receive additional favourable treatment.



their earnings to be taxed sepa-

rately for the year 1988/89.

Company cars. The scale

charge for company cars goes

up when the business mileage is below 2,500 miles for the year, and is halved when it

exceeds 18,000 miles. So it might be worth bringing for-

ward a business trip to before

Pensions. Payments to personal pensions and retirement

sonal pensions and retrement annuities can be carried back over a period of six years. By making a payment before April 5 you can go back for an extra

year longer to 1982/83 than if you delay until after April 5.

5 to gain an extra year.

during the next few weeks.

April 5.

As a sop, the Chancellor could then make personal equity plans (Peps), which give freedom from capital gains tax. more attractive. This would also serve a double purpose, as a stimulant to savings and wider share ownership, although some people think more far-reaching moves would be needed to improve

the savings ratio.

For the first time for several years, there is speculation that the Chancellor might raise the "celling" for mortgage interest relief from its present unrealis-tic level of £30,000. Although that seems unlikely bearing in that seems unlikely bearing in mind the economic situation,

John Edwards gives pre-Budget advice, the first of a series

some change might be made to help first-time buyers exclu-sively and possibly confine the relief to standard rate tax only. Other possibilities are radical changes in the way that holders of life policies are taxed, including the introduc-tion of an "exit" charge on 10year qualifying policies where gains are currently tax-free, and the loss of "tax-free" withdrawal facilities from investment bonds, Measures might also be taken to stem the flow of money to offshore bank accounts, paying gross interest, as a result of the introduction of independent taxation. Last year's Budget included a proposal to scrap instru-ments (or deeds) of variation to be adjusted by beneficiaries in the distribution of an e The plan was dropped, but the government said it would keep the matter under review and it might be revived this year.

trosts was widely expected last year, but failed to materialise. But it is anticipated that attempts may be made to close this tax loophole this year. Forecasting what is going to be in the Budget is notoriously dangerous; the Chancellor normally has some nasty surprises up his sleeve. But if you are a

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cantious, or pessimistic person you should obviously take the possibilities into account.

Most important, perhaps, is independent taxation. There is very little reason for delaying any planning until after the Budget, in spite of the doubts about the capital gains tax exemption level. Indeed, there is a good reason for taking action immediately, since by judicious planning you can "roll over" interest earned now into the next fiscal year when it will be taxed at a more

Putting your Will in order. in case a new ban on Instruments of Variation is introduced, might make sense too, as might hurrying up the establishment of an overseas trust. More problematical is whether you should succumb to the pressure from life com-pany salesmen and brokers to buy qualifying 10-year policies and investment bonds now. But even if there is a totally neutral Budget, with no impor-

tant changes, you should consider the following checklist of actions to be taken before April 5, according to Steven Berry, assistant technical director of Hill Martin, the Bristol based financial group:

Capital gains tax. The annual exemption, currently £5,000, has been to used each fiscal year and cannot be carried forward. You should either take profits on shares you no longer wish to hold before longer wish to hold before April 5 or, you can use the exemption by "bed and break-fasting" (selling in the after-noon and buying back the fol-lowing morning) to establish a higher buying price for shares you wish to retain. You also you wish to retain. You also have to take into account whether your status as a 25 or change during the next year.

E Inheritance tax. The annua notions available can only be carried forward subject to the current fiscal year's exemption having been used first. After April 5 this year, the 1988/89 exemption will no longer be available.

E Wife's earnings election. This will disappear when inde-pendent texation comes in. But meanwhile this year husbands and wives should decide before April 5 whether they want

Alternative savings

AN EXODUS of funds from banks and building societies is expected as couples seek to take advantage of the tax con-cessions available to non-work-

Many people are now realis-ing that interest paid on depos-its in building society and bank accounts are subject to the automatic deduction of tax (currently 21.75 per cent but rising to 22 per cent in Anril). which cannot be reclaimed even if you are a non-taxpayer.

This means that building society and bank accounts are not much use if you are seek-ing to take advantage of the tax-free personal allowance that will become available to non-working or low-earning spouses under the independent taxation regime. Any interest will still have non-reclaimable tax deducted at source.

So the hunt has been on for investments that either pay interest gross, with tax being deducted, or those deducting interest that can be reclaimed

by the non-taxpayer.

There are a few alternatives There are several National Savings products which pay interest gross, which is why National Savings have recently launched special promotional campaigns for their Income and Capital bonds. But these carry some kind of restrictions, on the length of time the investment has to be held or the amount that can be invested, and the interest rates offered are not very competitive at present.

Gills (government securities) can provide tax-free returns, but you face the danger of a loss of capital if the gilt market

Employees planning to con-tract-out of the State Earnings moves lower. Related Pension Scheme (Serps) should act before April There are some other special exceptions. Interest on deposits of over £50,000 in a building Business Expansion society or bank can be paid gross, but only under special Schemes, Peps, overseas trusts, independent taxation and capicircumstances. They have to be tal gains tax indexation will all what is known as a qualifying be the subject of special time deposit. That means a articles in the series to be run precise sum of money has to be deposited for a specified period of time, of not less than seven days. During that period it cannot be altered in any way by withdrawal or additions. The

interest, cannot be re-invested. At the other end of the scale, registered industrial and provi-dent societies, including some retail co-operatives, can pay interest gross. However you have to be a member of the society and there are normally other restrictions on the amount that can be deposited and the period of withdrawal.

Offshore bank accounts pay interest gross to UK residents, but the interest paid has to be declared on your annual tax statement even if the interest is re-invested. Many people,

John Edwards on investments to keep the tax man at bay

with Barlow Clowes fresh in their minds, are nervous too about putting their life savings in overseas countries where there is a different legal sys-tem and not the same kind of safety for UK residents if things go wrong.
So where do non-taxpayers

go? One answer is into the new breed of "money funds"; authorised UK unit trusts that invest in money market securities like treasury bills, certifi-cates of deposit, and gilts with a short maturity date. Although standard rate tax of 25 per cent is deducted at source, it can be reclaimed by non-taxpayers by use of a tax credit. It may also be possible to build up a capital gains tax loss, for offsetting against prof-its, over a period of years. The capital value of the fund is likely to remain static, or even fall slightly. But when you sell your units, indexation relief can be claimed to allow for inflation during the period between the purchase and sale.

There are already various different funds of this kind, but this week Scottish Amicable entered the fray with the launch of its Maximum Income Fund. The group claims that by investing mainly in floating rate notes, and a mixture of treasury bills and short-dated gilts, it can provide a better

yield than bank or building society accounts, even after allowing for charges. Its esti-mated gross interest yield, after management charges, will initially be 14.6 per cent, and possibly higher, which is equivalent to il per cent net after deduction of basic rate tax. The tax can be reclaim

Withdrawals can be made at any time, with no penalties, but there is a 2.6 per cent dif-ference between the buying and selling price (the bid-offer spread). This incorporates an initial charge of 2.5 per cent. Annual management fee is 0.5 per cent. Minimum investment

Scottish Amicable says the trust is aimed at the cautious building society investor, par-ticularly joint holders of deposit accounts and high rate taxpayers seeking to transfer assets and income to their

Equity & Law also announced this week the Total announced this week the Total Income Fund, a high-income fund based in the Isle of Man. Estimated initial yield is 13.5 per cent a year (compound annual rate) based on the offer price and after payment of the annual management charge of 0.75 per cent. There is, how-ever, an initial charge of 5 per cent incorporated into the bidoffer spread. If you invest before March 9, an extra 1 per cent will be added to the first year's dividend.

Mininum investment is £1,000. Customers will be issued with an account book to enable them to withdraw or add to the holding at any time, with the proviso that a minimum balance of £1,000 is main-

IN BRIEF

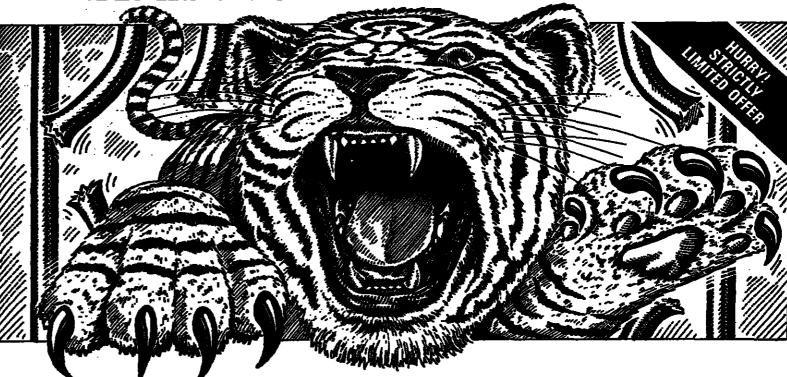
A FIXED interest time deposit that pays gross interest to tors has been launched by the Norwick and Peterborough Building Society. There is a choice of terms: three months or six months paying 14.25 per cent gross, and one year, paying 14 per cent. Interest is paid only at the end of the term and no withdrawals are allowed. Minimum investmen is a hefty £50,000. The Society said the new time deposit was its response to the forthcoming new independent taxation for married couples. It would also appeal to expatriates, corporate investors and charities.

ABBEY NATIONAL's special remortgage offer, which allows borrowers with mortgages of over £20,000 a refund of £200 if they switch from another lender, will be withdrawn on February 9. Abbey says it is popular, especially with borrowers requiring loans of over £60,000 who pay interest at 13.90 per cent compared with the standard rate of 14.5 per cent.

AN INVESTMENT trust personal equity plan (PEP) was launched this week by Kleinwort Benson Investme Trust. Investors will be able to put up to £2,400 into The Merchants Trust and/or the Kleinwort Smaller Companie Trust. A further £2,400 can be put into a Managed Share Portfolio of six shares. There is an initial charge of 3.5 per cent on the investment trust part (2.5 per cent for existing shareholders in the trusts) and 5 per cent on the Managed Share Portfolio and an annual management charge of 1 per cent, plus dealing costs of 0.5

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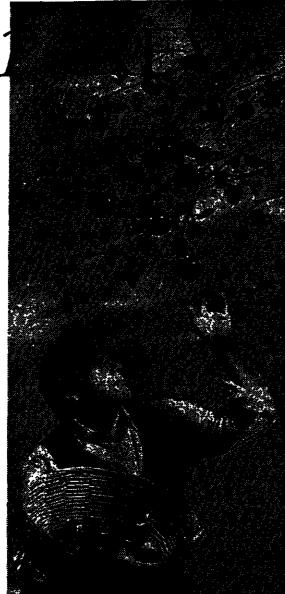
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Now Saints puts a £2,400 punch

in a Personal Equity Plan is limited to £4,800. So it's especially important to try to get the best return out of all of the investments held in the PEP

New Rules, A Special Opportunity

Unfortunately, up until now the majority of a PEP investment had to be invested in the UK stock market - a market that may not be as rewarding as the Far East and European markets.

Now a recent change in the Inland Revenue rules regarding PEPs has increased the maximum amount that can be invested in an international investment trust. The amount has been increased from £750 to £2,400 but only for a limited period, until April 5th 1990.

Saints, Added International Punch

Saints (or The Scottish American Investment Company PLC) is a publicly quoted company with a wide spread of international investments. Managed by Stewart Ivory and Company it has over 14,000 investors and has outperformed the FT Ordinary Index by 14% in the last 10 years (to 31st Dec. 1989).

Now with £2,400 of your PEP being invested in the international performance of Saints your PEP could have even more punch for the future.

Do remember though, that past performance is not necessarily a guide to future performance.



The Future Blue Chips

The rest of your money will be invested in a select number of small to medium-sized UK companies.

The Saints PEP brochure details fifteen such companies, whose average compound growth in earnings per share (over the last five years) has been in excess of 25%.

We monitor our choice closely; meeting the managers, visiting the principal sites, and forming judgements on their ability, as management and strategy are crucial to our long term investment decisions.

Low Charges

The annual management charges on this PEP are only 1.25% plus VAT. together with an initial charge of 3%.

Altogether, this package could really add a powerful punch to your PEP, but bear in mind that the value of shares and income from them may fluctuate, and you may get back less than you invested.

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If you'd like to take advantage of the new PEP regulations, please complete the coupon below and send it to us at Stewart Ivory and Company in Edinburgh. In return, we'll send you the Saints PEP brochute with full details of the scheme.

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FINANCE & THE FAMILY

The Week Ahead

Telecom set to ring up £680m

But wage and interest costs are likely to offset volume growth

BRITISH Telecom is expected on Thursday to report pre-tax profits of about \$580m for its third quarter to the end of December 1989, up from \$523m in the comparable period of the

About 250m of the increase will be attributable to the com-pany's pension holiday. Con-tinuing volume growth of 10 per cent a year, and increased. prices, are expected to be offset-by higher wage costs and inter-est payments relating to BTs purchase of a minority stake in

McCaw, the US cellular group.
Laurence Heyworth, of Robert Fleming, is forecasting 2675m. Warburgs Mark Loveland is going for 2680m, which he describes as "good, orderly

Sept Oct Oct Oct Sept Dec Oct

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Fit Fylice French Thomas Gardiner Group Heavitroe Brew.

Hey & Croft Lowe Robert H. Milcrogen Hidgs. Moorfield Ests. Partridge Arts.

Jacques Vert Kelt Energy

Kromagraphi Lister & Co Magries Joh

MFI Group Oceana Con

Optical & Medica Park Food Group

Rush & Tompki

Tayern Leisure Toothill RW

MINAL DIVI

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Sectisk National Shellon Martin Group

gases and health-care company, is expected to show growth in turnover of about 12 per cent on Thursday when it reports on the first three months to the end of Decem-

Although the industrial gases side is slowing in both the US and UK, there is no sign of prices softening as yet. In any case, 40 per cent of the industrial gases are sold in Australia and the Far Fact

Priillinary results

(1,197) (3,620) (4,065) (5,115)

(897) (997) (19,070) (1,490) (1,890) (1,140) (1,501) (10,039) (1,330) (2,335) (2,010) (2,619)

INTERIM STATEMENTS

industrial gases are sold in Australia and the Far East, where growth remains strong. Interest will centre on health care, where integration benefits should be coming through from the combined Viggo-Spectramed intravenous medication business. Analysts are looking for upstex profits of \$28m and for pre-tax profits of 283m and earnings per share of 11.8p.

| Speculation about the inten-

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RIGHTS ISSUES

OFFERS FOR SALE, PLACINGS

AND INTRODUCTIONS

RESULTS DUE

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od plans to move up from the USM to the main market

Dividends are shown not pence per share, except windicated. L = loss. A Malayelan dollars. I Not income

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tions of Tho Tettamanti, the Swiss financier with 8.7 per cent of the shares, and of Elektrowatt, the Swiss energy and electronics company with nearly 30 per cent, continues to over-shadow interest in the trading performance of Uni-tech, the manufacturer of electronics components which reports its interim results on Tuesday.

These figures will hardly be comparable with those of the previous year because of the big acquisition of Veeco Instruments, the US power supply manufacturer bought for \$327m in November 1988. Lifted by the inclusion of Veeco for a full six months instead of two, Unitech's prestay profits should tech's pre-tax profits should reach about £12.3m against

☐ Union Discount, the London discount house and financial services group, reports its annual results on Wednes-day. The market will be watching to see how far the group managed to recover in 1989 from a very poor performance

the previous year. Profits then were £3.46m, far below the £11m of 1987, but Union Discount said last July that year-end profits would be weil above those of 1988. It does not publish interim fig-

Although discount house operations may have been hit by continuing high interest rates, Union now has a broader profit base with subsidiaries in the futures markets and stockbroking, which are thought to have done well.

Eric Short examines the latest proposals for regulation

SIB squeezes broker funds

THE FUTURE of "closed" broker funds, where you invest with one particular life com-pany or unit trust group via a financial adviser, looks bleak under the new regime envis-aged by the Securities and Investments Board (SIB). However, "open" broker funds, which invest in the best avail-able funds in the market chosen by the adviser, appear to have been given the go-ahead subject to very strict operating

This is the conclusion to be drawn from the publication this week of the SIB's latest thinking on the regulatory sys-tem for broker funds.

More than six months ago, the SIB published a consulta-tive document on the marketing regime for broker funds which, if implemented, virtually would have banned such products. But the resulting outery made the SIB think

Underlying the SIB's think-ing is that an independent adviser's recommendations must be consistent with his duty to act impartially and in his client's best interests, taking into account suifability and best-advice rules. The SIB feels likely to be met by closed, or partially-closed, broker funds. No doubt those life compabroker funds on their books will argue otherwise and will let their views be he known to the SIB when the consultative

document appears. In its policy statement, the SIB breaks down its views on the regulation of broker funds into the following areas: require information on the expertise, resources and information facilities of broker fund managers to ensure they can act with the necessary skill. ■ Where management is subcontracted to another fund manager, who presumably will also have to be authorised, the relationship must be made clear to the client.

Information at the point of sale. The investment objectives and strategy to be followed to achieve those aims must be

■ Charges for broker fund services, unless paid direct by the investor, must be spelt out in full, including a statem any fees received by the adviser from the underlying funds and/or life company or

management group.

Previous attempts by the SI3 to force disclosure of commission charges have failed because of the variety of methods used to reward broker

Above all, independent advisers must indicate possible conflicts of interest and what they are doing to ensure the client's interests are put first. At first glance, it appears work in protecting the investor without inhibiting the develop-ment of "open" broker funds— but that depends on what changes are made in the the consultative document.

D Broker Funds and Broker Unit Trusts: A Policy State-ment, available from the Securi-ties and Investments Board, 3 Royal Exchange Buildings, London EC3V 3NL, Price 25

LABOUR peers have put the cat among the pigeons. On Thursday, Lord Mishcon forced through an amendment to the Courts and Legal Services Bill which will require banks and building societies to give clients details of any commis-sions received for negotiating endowment policies linked to mortgages. Mischcon pointed out that not only were solicitors required to declare any commission received but they

must rebate it to the client. The Securities and Invest ents Board (SIB) wrestled with the problem of commission disclosure for years before arriving at the rules which started this year. Under them, clients buying life assurance and unit trust contracts from an independent financial adviser are told by the life company or unit trust group concerned about the amount of

commission paid to the adviser as a percentage of the premi-ums. The client also has the right to ask for the adviser to disclose, in money terms, the amount of commission received on a sale. But if the salesman is an appointed representative of one life company, there is no obligation to disclose any such information. Most banks and building societies are now appointed representatives, with no requirement to disclose renu-

meration. If this amendment is not overturned when the Bill returns to the Commons, then as primary legislation, it would over-ride the SIB's rulebook.

The banks and building societies can be expected to lobby for this amendment to be overturned. They will almost cer-tainly be joined by the SIB.

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 TAKE-OVER	BIDS	AND I	MERGE	RS	
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GPG	17*	. 20	23	55.0	
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Hyman	3079	281 ₂	26 2	15.84	ER Corporator
Intl. City Hidge	29	25	34	22.43	York Trust
Jitra Rubber	58.7	54	50	6.52	Rowe Evens have
KLP Group	238*	235	160	23.60	RSCG
Do. Conv. Pref.	87*	85 .	. 67	8.44	RSCG
Mackey (Hugh)	1295	122	132	7.71	Alter Textle
Mainmet Hidge.	10%	60 ·	60	0.63	153
Mysord	240*	238	224	197.50	Blue Circle
Nat. Telecom	80° .	58	49	20.39	Alcatel .
Norfolk Cap.	41.26	43	364	170.41	Gosens Moet
Segs Group	300°5	295	294	54.24	De Haan
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Sanderson Murray	175*	203	150	3.325	Rickett Mitchell
Tavara Leleure -	36	35	36	9.18	Milhaali Hidge.
TDS Circuits	10*	20	20	0.90	Teknecomp
UK Paper!	375"	371	335	298.94	Fletcher Charge
Woodington	37	38	42	8.22	Bridgend Group

COMPANY NEWS SHIMMARY

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FINANCE & THE FAMILY

You'll have to pay up

Five hundred shift workers in our company, including myself, are to get an ex-gratia lump sum payment at the end-of the year. This is not a bonus payment, nor is it written into our contract of employment. It is a compensation payment due to a change in shift pat-terns, starting next year, which will involve working through all bank holidays except Christmas. We have been informed reli-

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ably that this payment might qualify for tax relief under

Early claim warning

In the tax year 1982/83, two companies in which I had investments went into receiv-ership so that, for the tax year as a whole. I incurred a loss on declared on my tax return and has been carried forward since that time. In subsequent years, realised capital gains have not been in excess of the exempt

In the present year, how-ever, I would be able to use the previous loss to set off against gains in excess of the £5,000 tax-exempt limit. I had always assumed that, since indexation was introduced, the same rules applied for losses as for gains, and I mentioned this in correspondence with my tax office. They have replied as follows:

replied as follows:

"I have considered your comments regarding the indexation allowance on capital gains or losses. I confirm that, for any sales of shares after April 6 1965, a person can elect for indexation allowance to be calculated on the value of the shares at March 31 1982. Likewise, an allowable loss can only be increased by the indexation allowance. by the indexation allowance for losses arising from sales after 6th April 1985. Therefore, any losses which arose in 1982/83 will not be increased, as they took place before April

Although badly worded, the intent is plain, and I would be grateful for your observations on this claim by the Inland Revenue that indexation cannot be applied to losses incurred between March 31, 1982, and April 6, 1985.

It is a pity that you have missed our warnings against

missed our warnings against premature claims that shares have become of negligible value and our suggested wording for a negligible value claim at the appropriate time. The basic principle is that

negligible value claims (under section 22 (2) of the Capital Gains Tax Act 1979) should not be made until the first two or three days of April at the end of a tax year in which there will be sufficient net taxable gains to absorb the potential allowable loss on the shares in

This will ensure the maximum indexation relief, because the RPI for April is invariably higher than that for any of the preceding 12 months. An exception to this principle arose when the former Chan-cellor announced that allowable losses on disposals after April 5, 1988, would be restricted by reference to the value of the shares at March

There are a few other cir-cumstances in which the basic principle is inappropriate, but it is a good working rule. No claim is needed when a company is finally struck off, as this event produces an allowable loss automatically - section 22 (1) of the CGT Act. . The question to be considthe terms of employment. We have also been informed that GCEQ employees lost their claim for tax relief on their compensation payment to quit the union. But we feel our position is different.

On the bare facts outlined,

we cannot offer you any hope that the lump sum will escape taxation under schedule E. Section 148 is not a relieving pro-vision: it imposes a liability (in certain circumstances) on pay-

ered first is whether what you wrote in your tax return in 1963 constituted a claim under section 22(2). If it did not, the next question is whether the companies have yet been struck off, if so, in which tax year (and in which month) was each of them struck of? If the companies still exist (and, consequently, your shareholdings still exist), you could write to your tax inspector pointing out that you have not yet made a formal claim under section 22 (2) of the CGT Act but that you intend to make such a claim on or about Monday, April 2, 1990. This could be disastrous, however, if the March 31 1982, value of either of the shareholdings (on the quarter-up basis) was significantly lower than the original cost. If the March 31 1982 value is low, the solution might be to invoke extra-statutory concession D28, requiring the shares to be treated as having been sold (and immediately reacquired)

Division of income

for one penny on April 5 1988.

free booklet of concessions, IRI

Ask your tax office for the

I AM a married pensioner with an income of £9,700 a year from my former employer, the state pension of £3,500 for my wife and myself, and about £550 building society interest. My wife has no income of her own. I am 81 and she is 78. When independent taxation starts in April, the only income she can set against her tax allowances is the state pension. I would like to declare a division of income that is, my pension from my former employer — on a 50-50 hasis as, when I die, my wife will automatically receive half of that pension. Would this be pension?

No. The pension is undoubtedly payable to you ffor as known

as you live) under the terms of the scheme. Any attempt to alterate part of your pension (or the whole of it) would almost certainly be trustrated by section 674A (3) of the Income and Corporation Taxes Act 1988, which was inserted by section 109 of the Finance

Might it be possible to give your wife money from the building society account, so that she could invest it herself (outside the scope of the reduced-rate and composite-rate tax schemes)? If that were done, she could recover any tax deducted or tax credit (in the case of UK dividends), pro-vided that the income was credited to an account to

which you have no access.

If you do decide to give money to your wife, then it would be best for her state retirement pension to be paid into that separate account also.

On the other hand if you On the other hand, if you decide to leave things as they are, there is no need to after the present arrangement.

SAVINGS PLANS, UNIT-LINKED FUNDS,

BRIEFCASE

ments which are "not otherwise chargeable to tax." The words in inverted commas are taken from the parenthesis in sub-section 2 of section 148. If you wish to check the law, you could look in Volume G of Simon's Taxes in a local reference library.

A need for good advice

I am trying to find out about the tax position of a private investment company without

If I form a private investment company with my own and some borrowed money, how would the interest pay-able be treated for tax pur-poses? Would the company be able to claim back the tax credit on the dividend from the Inland Revenue? If I am a director of the company, could I deal in stocks and shares in a nersonal canacity?

Malthough the former Chan-cellor substantially modified his 1989 Budget proposals for a penal tax regime for private investment companies, we can-not recommend that you pur-sue your idea. But if you do decide to go ahead, you should consult a good accountant or solicitor (or both) so that all the pitfalls can be explained fully and discussed. You must be prepared to pay a substan-tial price for this guidance.

Change of ownership

I am sole owner of a large house (no mortgage) which has been divided into two. My wife and I live in one part and the other part has been divided into bed-sits and rented out. In the event of my selling, I appreciate that the "business" part of the house will attract capital gains tax.

m preparation for independent taxation of husbands and wives, I wish to change my sole ownership with my wife. This means she will have half of the rent income to set against her tax-free allowance, it will also double our relief from also double our relief from CGT when we sell. This all seems straightfor-

In preparation for indepen-

ward to me, but my solicitors are making a real "meal" of it. They wonder — but seem giving half of the house to my wife will lead to liability for CGT on half of the "busin

■ There will be no CGT Habil-ity upon the transfer of the property from your sole name into your joint names (as ten-ants in common), by virtue of section 44(1) of the Capital Gains Tax Act 1979, in conjunc-tion with paragraph 2 of sched-ule 13 to the Finance Act 1982 (as amended by the Finance

Even if the property is con-veyed to your wife and your-self as tenants in common (as distinct from joint tenants), your wife's half share of the rent could fail to be treated as your own income (in addition to your own half share), under section 674A of the Income and Corporation Taxes Act 1988. You might like to discuss this possibility with solicitors.

David Cohen on how executives can exchange old contracts for new performers

Scoring with a used option

THE STOCK market measured by the FT-SE 100 index - touched a new peak early in January but many share prices remain in the doldrums and many executives with share options have had a miserable start to 1990.

Smaller companies in particular have generally failed to recover from the savage mark-down inflicted during last October's mini-crash.

just for shareholders in these under-performing stocks, but also for executives with share There is no easy antidote for

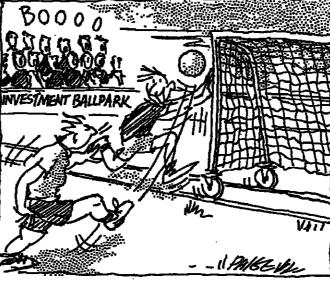
the shareholders, but a com-pany can offer instant relief to its employees by allowing them to swap old options for

Most executives hold their share options under Inland Revenue approved schemes. One of the conditions for Revenue approval is that the sub-scription price of an option in other words the price payable hy the executive when he takes up the shares - must be no less than the market value of the company's shares when the option was first granted.

Provided the share rises, the option will enable the employee to take a stake in his company at a favourable price. But if the price falls below his subscription figure there will be no point in the employee exercising the option since he could buy more cheaply in the

Of course the executive can wait - usually for up to ten years - hoping that the price

But if the option stays "out of the money" for too long these lingering hopes may start to fade away.



An option designed to act as an incentive could then become a source of demotivation and disillusionment.

It is in these circumstances that a company may consider granting new options at the prevailing market quote in place of the old no-hope s, and for the same number of shares.
If this possibility is contem-

plated, the first question is whether the rules of the share scheme present any obstacles. The most likely problem area is the individual participation

The Revenue requirement is that no executive should hold options over shares worth more than four times his salary or £100,000 if greater. This test is designed to look at any existing options and disregards those which have been surrendered or otherwise lapsed.

However, the Investment Protection Committees, repre-senting the major institutional investors, recommend that companies adopt a more widely encompassing limit. This limit includes all options granted in a ten year period, whether or not they are still in existence. Companies which have simply followed the Revenue's formula will have no problem at all with an option exchange but those which have also com-plied with institutional wishes may find their plans stymied. Suppose, for example, that in 1987 Mr A was granted an option over 80,000 shares in

El. Mr A's annual salary is £40,000 so his option limit is £160.000 ABC's scheme rules apply that limit to all options up to ten years old. So even if he

ABC Ltd at £1.50 per share. By

1990 the price has declined to

it will continue to absorb £120,000 (80,000 x £1.50) of his £160,000 allowance until 1997. The remaining £40,000 will be insufficient to cover the grant of a replacement option which, even at the reduced

price, will cost £80,000. The next point to consider may seem a technicality but is crucial to the success of the manoeuvre.

The granting of the new option must not be contractually linked to the surrender of the old. In the Revenue's view, such a link would contravene the approved scheme conditions and might also create tax complications for the execu-

The Revenue is not seeking to deter option swaps. As long as the legal documentation betrays no connection between surrender and re-grant the Revenue will nod it through. The acid test is that there should be some point in time after the old option has been surrendered when the executive would have no legal recourse if the company

refused a re-grant.

As long as the paperwork stands up, the fact that both parties view the surrender and re-grant as a single composite transaction is irrelevant.

Admittedly the executive must Admittedly, the executive must take a technical risk: but the option he is giving up will be of dubious value and he has the added security that a company is hardly likely to double-cross key staff. If this advice is followed, the

option "exchange" will not trigger a tax charge. But in one respect, the executive's tax position will have deteriorated. You can exercise an approved option tax-free, but this tax

occurs less than three years after the option was granted Most schemes prohibit exercise in the first three years, and exchanging options means wiping out the time which has already run on the old option and turning the clock back to the beginning of the three-year period.

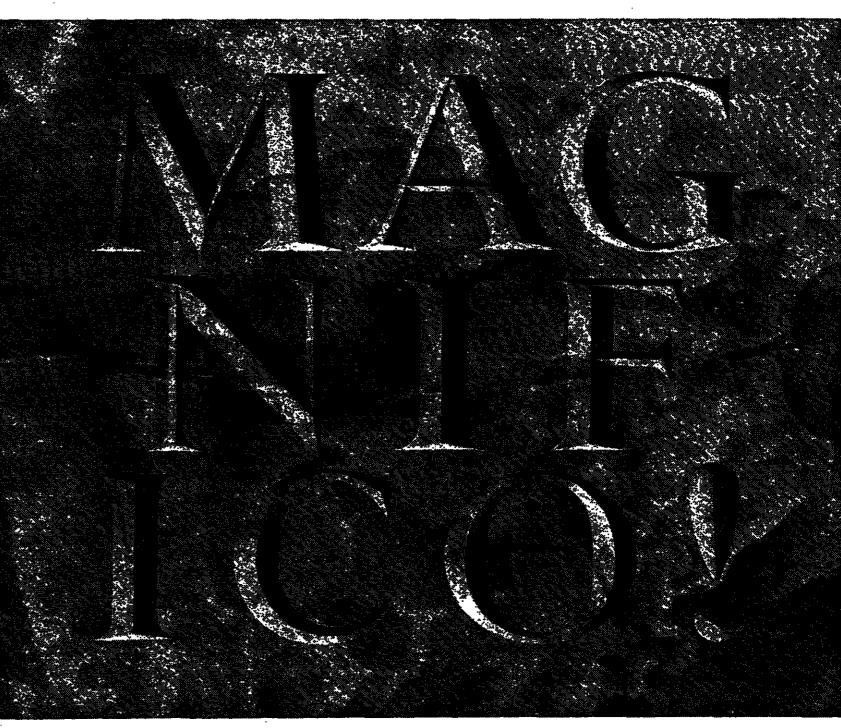
in cases where the old option is not that far above the current price and has been run-ning for some time, the execu-tive may be reluctant to abandon it. If the company is content, one solution to this dilemma would be to let him keep his existing option while granting him a new "parallel" option_

If either option was exercised the other would automatically lapse, so the executive could not acquire any more shares than before. However, if the share price recovered sufficiently he could make his own trade-off between an earlier exercise and a larger profit. Scheme rules in individual companies may well need to be amended to allow for the creation of parallel options. Even if all these technical

issues can be satisfactorily resolved, a company would be ill-advised to embark upon an option swap without first searching its corporate con-science and, perhaps more important, gauging the reac-tions of significant institu-tional shareholders.

Fund managers, already upset by investing in a dud share, may not be best pleased to see the goalposts moved for the benefit of directors and other senior executives.

David Cohen is a partner in the City law firm of Paisner



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The Financial Times proposes to publish a Survey on the above on

16th March 1990

For a full editorial synopsis and advertisement details, please contact:

Anthony G. Hayes

on 021 454 0922 or write to him at:

George House, George Road Edgbaston, Birmingham B15 1PG

FINANCIAL TIMES

FINANCE & THE FAMILY

Losers in the equity game

SO YOU have made yourself a tidy little sum on the stock market over the past few years and you don't see how you can lose in the equity game? Well, think again.

If you had invested £1,000 in 1968, you would not have made

1968, you would not have made any capital gains in real, inflation-adjusted terms over the subsequent two decades.

A similar investment in 1972 would equally have been dooned, leaving you with real capital in 1989 of £397.

And if you had parted with your £1,000 just before October 1967, at the height of the 1980s bull market, you would still be well down on your money in well down on your money in

These figures, from the lat-est Equity-Gilt study by broker Barclays de Zoete Wedd, underscore the importance of timing in equity market investment.

To have bought shares in the 1960s and sold them in the 1970s would have been a losing. proposition after allowing for inflation in many years of those two decades.

IF YOU hear from people named Dudley, Pound, Jackson or Kyriacou, don't give them the cold shoulder. As the pri-vate detectives of the small

investors' underworld, they

often bring good news.

With the help of some dog-eared old telephone direc-

tories, estate agents, and a library full of company docu-

ments, they track down the

rightful - and, in most cases, entirely unsuspecting - own-

ers of shares in companies

which have been taken over. They then tell the surprised

share holders how they can lay

their hands on the cash and dividends that have accrued

over many years. In most cases, this means a windfall of

several thousand pounds.
Shareholder Investments

Research (SIR), of which they

are directors, was set up eight years ago to track down inves-

tors in the old rubber planta-tion stocks. Many of the UK-listed companies which con-

inted companies which con-trolled rubber plantations in Malaya (as it then was) grew by gobling up the small rub-ber estates. In turn, they were taken over by local entrepre-

neurial interests in the 1970s at

a time when the shares were under-valued.

On the other hand, these sta-tistics can be stood on their head. An investment of \$1,000 in 1952, before the Butler reforms of the British econonry, would have given you a 200 per cent real return to the end of 1979; and you would have turned £1,000 of invest-ments in 1981 into £2,500 last

crash.
This does not, however, mean necessarily that investment in stocks is an outlandish

For one thing, investors receive dividends, a factor not included in the comparisons quoted previously. For another, the equity market shows a steady gain in real value over long periods. BZW equates this to a real

What all this goes to show is that the stock market is a top-sy-turvy place where adjust-ments are from time to time extremely abrupt - a point which needs no labouring with those who suffered in the 1987

Real equity prices since 1934

which, it says, can be rationalised in terms of the steady upward movement of the econ-omy. And investors also have the option of regular month by month purchases on the stock

This ensures that they buy shares when prices are low as well as when they are expen-

So much for history. As to the future, the study throws up various points for investors to

First, the past seven years—
a period of expansion following
the partial collapse of the Opec
oil oligopoly—has been the
most remarkable for equities
since the 1920s. We all know

to that heady era of growth -the biggest stock market crash, as it turned out, until 1974. Second, the exceptional performance of the UK market by comparison with the US could be coming to an end.

BZW shows that it has paid to be invested in the UK rather

than the US during the 1980s, reflecting it argues, the differ-ent impact of oil price increases and the revitalisation of the British corporate sector.

This period, it says, has now probably ended. Britain will in the 1990s be in very much the same position as the USA in respect of oil . . .

"There seems every rea to expect American industry to respond as well as British industry to the stimulus of international competition and of Japanese investment. It therefore appears likely that Wall Street will perform at least as well as London in the 1990s, possibly a good deal bet-

Finally, says the study, "his-tory teaches us that, some-times after a delay, inflation is had for equities.".
BZW goes on to argue that

the Government aim of going into the next general election with a favourable economic background is likely to lead to an intensification of inflation ary pressures." You have been

Terry Dodsworth

On the right track



In some cases, the share-holders in the company being taken over were given a 12-year limit within which to sub-mit their claims for the cash or new shares. If they had not made a claim by then, they for-feited their rights.
"No one was making any

"No-one was making any effort to trace these share-hold-ers and tell them of their rights, so we did," says Michael Dudley, managing director of SIR. "It was a good source of business for us. After the [Second World] war, rubber shares

were like penny stocks: the Japanese over-ran Malaya and the estates were devastated. A rubber tree takes seven years to mature, so no one wanted to buy rubber plantation shares. He species one case invalving

He quotes one case involving a woman who lived in Singapore but was killed by the Japanese during the war. SIR traced her nephew by placing an advertisement in the Strates Times: his aunt's tuppence ha'penny shares from 1942 were worth about £11,000 when he claimed them last year. Now, SIR concentrates mostly on UK take-overs, par-ticularly companies which have swallowed a lot of others and where the share price has shown a very rapid appreciation. The search for shareholders who have not come forward often spans different conti-- stretching from the Soviet Union to Argentina and Haiti — and involves checking changes of address, wills, and tracing any relatives in cases where the original share holder has died. "It's a bit like treasure-hunting," says Dudley. There's a vast amount of unclaimed paper which is quite valuable "

It is not always possible to trace the share-holders, though. For instance, thousands of investors who held bearer stock in one particular South African gold company have gone missing. Many are fisciple to have been killed in the Second World Wer or died the Second World War or died in concentration camps. Today, the company would owe them about £1m altogether in

mlikely the money ever will In other cases, it can prove

impossible to release the funds owed. Share certificates in one particular Hong Kong-listed company have been locked in a bank deposit box in Shanghai ever since the 1949 communist take over. SIR traced many of the foreigners who once lived in Shanghai and owned the shares but, so far, the Chinese authorities have not handed over the documents.

SIR charges up to 25 per cent in commission (or 30 per cent for particularly complex cases). But the rewards can be substantial: there have been a couple of jackpots of £100,000 although most are round \$3,000. The investigators have recovered shares and cash worth about £5.3m over the past eight years.
If you think you have mis-

laid some share certificates, you can always check your holding by writing to the share registrar or getting your stockbroker to assist you. But if you receive a letter from SIR, don't throw it away. It might contain something very much to your

Sara Webb

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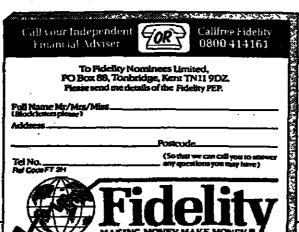
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*Source: Micropal 11.80 to 11.90. Offer to bid, not income relevented. Over 5 years the Trust ranks No.2 and £2,400 invested would have increased to £9,0%.



Labour calms fears over pensions

EMPLOIS personal pensions to contract out of Serps (the State Earn-ings-Related Pension Scheme) have had a very good financial bargain although there has been one cloud in what has, to date, been a clear blue sky: What happens to these per-sonal pension contracts if the Labour Party wins the next general election?

There have been two conflicting rumours about this. One, from certain out-spoken trade union officials, was that employees who had the temerempayees who nan the temerity to opt out of Serps should be barred from returning. The other, circulating more widely, was that employees would be repatriated forcibly into the state scheme. state scheme

This time last year, when life companies were in the throes of a mass advertising campaign that resulted in more than 3m employees leaving Serps and taking out personal pensions, none was too bothpensions, no one was not outsered. Few people thought
Labour would win the next
election and, anyway, the
party itself had not made clear
its policy towards pensions.
Twelve months on, things
have charged it is not treet

have changed. It is not just Labour supporters who think it can win the election: many investment managers in life companies and unit trust groups now regard a Labour

victory as possible.

Now, too, Labour has made
its intentions on pensions known through its Policy Review, supplemented by state-ments from social security spokesman Michael Meacher. There is re-assuring news for

employees who have con-tracted out of Serps. Speaking recently to an audience in Den-ton, Lancashire, Meacher pledged that "those already opted out into personal schemes will not be required to

rejoin Serps."
So, the all-clear has been given to continue selling per-sonal pensions without worrying about the future.
This does not mean that the

Labour Party in general, or Meacher in particular, have had a change of heart towards personal pensions. He told his audience that despite all the "bribes" given by the Government of the contract of the con ment to encourage employees to contract out, "Serps remains a better deal for most of its 11m original members." Meacher's opposition appears to be based mainly on

the proposition that personal pensions are risky because they do not give pension guar-

antees.
He considers it unfair for employees to "take risks with their pension arrangements which if they did not come off, would leave those employees



they would not be prepared to

with an insufficient retirement

The next Labour Government intends to restore Serps to its former glory, and con-tracting out will be permitted only if life companies can give an equivalent Serps benefit guarantee – known as a Guaranteed Minimum Pension (GMP) – on personal pensions.
This requirement almost certainly means life companies would stop marketing personal pensions as a means of con-tracting out of Serps because

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employee who has not contracted out of Serps with a per-sonal pension by the time a Labour Government takes office will have lost the oppor-In spite of this hostility

towards personal pensions, Labour will permit all employees who have left Serps to sta out, although they will alway have the option of going back. The mechanics of how thi

put up the capital required to cover such a guarantee. So, an

obscure. But one result would seem to be that employees who stay out of Serps would be locked in to their existing life companies. They would lose the present facility to switch

concession would work are

between providers.
Meacher and his advisers consider that employees have left Serps in favour of personal pensions only because they have not been given the full facts and a proper comparison, despite the requirements of the Financial Services Act. He believes that once the facts are known, employees will return in droves to the state scheme.

Thus, a Labour Government would run information campaigns and would also require life companies to give each per-sonal pension-holder an annual statement comparing the benefits with those of Serps. At present, the companies provide such comparisons only if asked.

Meacher hopes his plans will counter the big advertising campaigns for personal pensions. Whether he succeeds remains to be seen. But he has done a valuable service to employees by reminding them to ask for more information before deciding to

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MINDING YOUR OWN BUSINESS

Roy Hodson finds a gallery with a corporate outlook

Putting art in good company

CYNICS MIGHT think that more than 200 contemporary trying to make a living by per-suading businessmen to part with company money for art is with company money for art is
like pushing water up-hill. But
24-year-old Jenathan Kearns of
Lichfield, Staffordshire is sufficiently young and entimalastic to be having a go.

It began when the successful
Haleyon Gallery — run by Paul
Green, 32, and situated in a
modern mall over New Street
railway station in Birmingham

railway station in Birmin - found that a number of business people who bought pic-tures for their private collec-tions were keen to take their art interest into their offices. Kearns, who joined the gal-

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lery 18 months ago to take charge of marketing, accepted the task of putting the sale of art to industry and business onto a professional footing through a company called Halcyon Gallery Corporate (HGC). It is selling paintings, limited edition prints and occasional edition prints and occasional sculptures to manufacturing and service industry as well as an increasing number of professional firms such as accountants, lawyers and architects.

"Often, the interest starts with the idea of a few paintings to light up the menagerial ings to liven up the managerial offices and the board-room and develops from then on," says Kearns, who has organised spe-cial exhibitions for business-

The new company has sold £250,000 of art, mostly paintings and prints, in its first year and Kearns says orders are still showing a healthy trend. HGC owes a great deal of its success to being started on the back of the existing Halcyon Gallery, and it has the full run of the recently facilities and of the parent's facilities and contacts. Indeed, Halcyon was

men in Birmingham and Lon-

itself a brave venture. Green was keen to open a gallery seven years ago when he was 25. His father and mother, Lionel and Reans, who had a small family tailoring business, decided to sell up and invest all their capital in the

In the first year, Halcyon turned over \$40,000. This year, it expects a turnover of \$1.8m and is selling the works of

artists. Kearns identifies three specific areas where there is a market for corporate art: M Companies that want to enhance their working envi-ronnents. Recently, he sold 40 original contemporary paint-ings to Bristol Myers Pharma-

centicals for its headquarters, a stately home at Ickenham in north-west London.

Business buyers who also

appreciate the investment potential of contemporary paintings and prints. (At least, the thought encourages them when they are tempted to make purchases).

Companies that look upon good art as a strong tool in promotional activities.

Rothmans, the cigarette

Rothmans, the cigarette giant, is sponsoring a maxiyacht which is well up with the leaders in the Whithread round-the world race. On the company's behalf, Kearns commissioned artist Wichael missioned artist Michael Vaughan to paint a stirring picture of the boat beating to

windward in a strong breeze.

The original will hang in
Rothmans' headquarters but
HGC has arranged for a limited
edition of 300 prints to be be
used as promotional gifts. The painting – which is likely to appear in advertising material as well – will have a global

Kearns and Green have found there is no shortage of artists interested in working for the corporate market. Painters are recognising that professional marketing of their work to the business world has the pleasant effect of raising the prices they can command. The two men are now plan-

ning an art show in Selfridges, the London store, in May on the theme of wild-life and conservation. They hope to raise about £20,000 for the World Wild-Life Fund from sales of originals plus a further £16,000 from salling wild-life posters, licensed by the fund, which they are printing. These will cost £12.95 each.

 Halcyon Gallery Corporate,
 The Pallasades, Birmingham B2 4XJ (tel. 021-643-4474).



Paul Green and Jonathan Kearns . . . selling art to industry and business

Pertinent factors

NEW FIGURES from the Association of British Factors and Discounters, which represents the 11 biggest invoice factoring firms in Britain, add weight to their claim that businesses using their services will receive their money more quickly. Companies using factoring and invoice discounting services using factoring and invoice discounting services. ing services last year were, on average, being paid 64 days after the issue of an invoice, says Leslie Bland, chairman of the association. That was 11 days faster than the average time between invoicing and payment in UK business The factors themselves take a professional pride in improving their performance. Last year, they managed to improve by half a day the age time they take to secure payment on

bills they manage. With all five of the top British clearing banks now investing heavily in factoring (invoice dis-counting is really the same thing, but applied to the bigger companies with turnover well above £lim a year), the factors are looking forward to

vigorous growth in their business. Bland says there was a 15 per cent rise last year in the number of businesses using factoring and invoice discounting services provided by his member companies. The volume of business they handled rose by 24 per cent to £11.6m.

As high interest rates bite this year, the growing cash-flow problems of small companies should serve to focus attention more closely

upon the the service that factoring offers. Already, there has been a 41 per cent increase in the number of UK debtors where legal action is in progress (compared with a year ago). Collecting the cash quickly becomes a high priority when cash itself is so expensive.

☐ The Association of British Factors and Discounters: Information Office, 24-28 Bloomsbury Way, London WC1A 2PX (tel. 01-831-4268).

Two Dubliners with designs on talent

WITH MORE than 5,000 design firms offering their services in Britain, the competition is formidable for the newcomer. But that does nothing to deter young optimists. Buoyed by high hopes for their own skills, they are starting new businesses every day although this crowded market is hardly expanding at all just now.

The ones who make it are those who combine artistic skills with bosiness flatr - and also have the knack of attracting the most talented people to work for them. Indeed, design is almost wholly a "people" business. It sells talent to a business world which, often as not, does not know what it

not, does not know what it wants from design — but expects it to be good.

Tim Aston Design, a business just three years old, is moving faster than most of its competitors after pinning its future on a gamble. The two Dubliners who own it — Tim Aston 31 a designer, and Niall Aston, 31, a designer, and Niali Henry, 30, whose training has been in computers and line management — were working from a cramped room (400 sq. ft including the tollets) in Islington, north London, until

18 months ago.

They were getting a good flow of work (mostly in designing literature for blg companies including brochures, catalogue of the companies including brochures, catalogue of the companies including brochures, catalogue of the companies of the compan logues and annual reports) but they could not grow without hiring more staff. They had to expand or go under.

But they found quickly that very few of the better young designers were interested in working from garrets. From the moment they leave college, a market exists for their special skills and they tend to give high priority to their working conditions. They look for designer-inspired offices with modish surroundings to match

interesting colleagues. So, Aston and Henry decided they must risk everything upon moving the business to a smart and well-equipped stu-dio. They were lucky enough to find just what they needed in a building modernised for commercial use in Latimer Road, North Kensington, with a 15-year lease at £11 a sq. foot initially. The problem was to pay for the installation costs and new equipment. Bank loans against both their homes

raised £50,000 and they made the move hoping that enough business would materialise to pay the higher overheads and extra staff they proposed to

employ.

The gamble has paid off. With two design teams of three people each, and a small managerial team of two, the firm new developments. has increased turnover quickly. This doubled in the first full year to £200,000 and last year reached £312,000. This financial year, it is expected to reach £850,000 (although this includes some heavy print runs ordered for clients. Aston estimates that his net turnover from fee income this year will be about £600,000).

Within the past few weeks, the firm has won its biggest contract so far - from Royal Mail Parcels - and will be involved in a literature design project over several years. "It is such a big contract, it has lifted our level of business into a new league," says Henry. It also happens that Latimer Road is proving an excellent

design company. The nearby Westway motorway extension is a great help to business com-munications and the BBC's new headquarters, now nearing completion, is attracting a number of creative companies to the vicinity in converted warehouses, old housing or

Equipped now with a good studio and more work on hand than ever before, Aston and Henry say their next priority is to recruit more top-quality talent. They are planning to tour the art and design colleges soon to see if they can find some exceptional people. "We will increase our core staff to 20," says Aston. "We would then be in a position to handle any contract, however big, topping-up our team as needed with consultants brought in on short-term contracts.

☐ Tim Aston Design Ltd. Olympic House, Latimer Road, North Kensington, London W10 6RA (tel. 01-968-9136).

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Niell Henry and Tim Aston . . . designers in a hurry

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A prisoner of his past

Christian Tyler meets Natan Sharansky, a hero from the gulag



ky: activist, fund-raiser and Zionis

S THE Soviet Union staggers towards a constitu-tional crisis, Natan Sharmsky, hero of the gulag, is shuttling about the West to warn the USSR and what could become the biggest Jewish exodus in 500

start ingest sewish exomis in 500 years.

Sharansky, the human rights activist, fundraiser and Zionist still overwhelms Sharansky the rescued husband and proud new father. The man who created his own freedom, by means of protest and hunger strike in the cold confinement of the purishment cell today has all the punishment cell, today has all the physical liberties the West can offer and the money to enjoy them. But he has precious little free time; he is the prisoner of his own spec-

tacular past.
Ever since the diminutive prisoner zig-zagged across Berlin's Gli-enecke Bridge to the West in 1986, disobeying his guards' instruction to walk in a straight line, still defi-ant after nine years in jail, his efforts to alter the fated trajectory of his life seem to have failed. Revolutions in Eastern Europe

ferment in the southern Soviet republics, and what he sees as dan-gerous disillusionment in the Rusdan federation all compel Sharan-

Last week he was in the US brief-ing President Bush on the new threat he perceives to Soviet Jews. This week he was in London can-vasing funds to resettle the emigrants in Israel, his adopted home. (Perhaps the real highlight of the London visit was an entire free day, which he and his wife Avital spent riding round the city in the rain on the top of a doubledecker bus.)

FIG. III.

against slavery. One thinks of

"campaign merchandise" as a

modern phenomenon; but it was all being harnessed by both sides of the slavery issue. In fact it was on the whole

more imaginative than the ephemera produced by the pro-

Several pieces of the slavery merchandise reveal a curious feature of nationalism. There

is the figurine of a negro, cast

in the attitude of prayer or praise. The patronising legend beneath is: "BLESS GOD. THANK BRITTIN. ME NO SLVE." It was said that in the

Spanish Inquisition there were

no worse tormentors than those who had been lately con-

verted; and so it was with slavery and its abolition. The British, having largely

created and conducted the

siave trade, took sanctimo-nious satisfaction in disown-

ing it, and encouraging other countries to follow their moral lead. In retrospect the figure

of Wilberforce assuages a national guilt. He was a wealthy and energetic man

whose fortune and energies

were entirely spent upon a cause of obvious benevolence. The wonder is not that he accomplished more or less

what he set out to do, but that it took so long. We can afford some pride in the contempla-tion of Wilberforce: but in his struggle there are plenty of

pagandists of today.

Eastern Europe and his former country, Sharansky said: "Like other dissidents I feel personal pride in what has happened. We were like midwives of that process. But the immediate consequence for the Jews is negative — a rise in anti-Semitism."

It is the perverse result of the ordinary citizen's attempt to come to terms with the historical truth, Sharansky argued. Today, even official historians have little real quart rel with Solzhenitsyn's estimate that 60m people died under Stalin's rule. "So people are finding that they had an awful history. They are not ready to take responsibility for

As everyone knows, Russia has a long history of anti-Semitism. Under communism it has been disguised as an official campaign against Zionism. But today it has not only resurfaced at the grass roots where it was always strong, but smoon intellectuals too.

The allegations of the resurgent

Russian nationalist movement he dismisses as "laughable". Far more serious, he claims, is the debate in the Press - the outspoken Moscow News and Literaturnoya Gazeta, for

"You will see that at the centre of intellectual life is the question: to what extent the Jews can be blamed for all the years of Bolshevism? They are finding Jewish names among the first revolutionaries. Even Brezhnev's wife was Jewish!" The result, says Sharansky, is that 2,000 Jewish families a day are applying to emigrate and the queue could now be 1m long, more than a third of the USSR's Jewish popula-tion. "Many people said that in the new situation the Jews would not want to leave, because of having more freedom. it was laughable, but very difficult to convince people

here."

Natan Sharansky does not look like a hero. Very short, with fleshy features under a bald pate, dressed in a black suit and open-necked white shirt, he appeared incongrucus against the pseudo-elegance of the hotel suite his hosts had arranged for him. He has a humorous and jaunty manner but penetrating, chess-player's eyes. In his first life (he is still only 41) he was a mathematician who wrote com-

'Gorbachev didn't realise that there is not such a thing as a little bit of freedom'

puter simulations of chess endgames. His English is accurate and rapid but spoken with a very Rus-

To this unremarkable figure - as to anyone who has endured similar trials — there clings a mysterious aura. It is this that so limits Sharan-sky's new freedom: the curiosity of ordinary mortals in the presence of

an extraordinary one.
One feels that his superhuman cussedness and courage were the things that mattered, not the particular variety of brute totalitarianism that put him away. In his best-selling book Fear No Evil, Sharansky described it thus: "I came to realise that nothing they did could humili-ate me. I could only humiliate myself by doing something I might

later be ashamed of."
Sharansky admits that the Gulag was in a sense the pinnacle of his career and that liberty's lack of a perpetual challenge is not all that easy to accommodate. Freedom, he once said, had made his life much

He still carries around with him the little black book of the Psalms in Hebrew that helped sustain him-in prison. The fly-leaf is torn to hide the fact that the book was printed outside the USSR.

outside the USSK.
Surprisingly, he does not regard himself as one of nature's agitators.
"I don't think I was born with the idea of fighting. I was happy playing chess or solving mathematics puzzles. But when you realise what a miserable life it is to be a what a mistator me it is to be a siave you don't want to make any more compromises. Many people don't realise what a hig potential they have to resist, and don't start

Although its liteology is dead, Communism continues, Sharansky said. "While people in the West are dying of love for Gorbachev, in Russia they are sceptical. Gorbachev understands the nature of the economic problem but not the nature

of the people.

"He thought they would be grateful for a little bit private property and a little bit of freedom. He didn't realise that there is not such a thing as a little bit of freedom."

"This line cannot succeed it's in the best interests of everyone that Gorbachev makes this choice between empire and the economy as soon as possible. The West should think not how to save Gorbachev but get him to make the choice."
Will Russians take to the streets
in revolt against Communist Party

control? Sharansky says he dis cussed this with his fellow dissident the late Andrei Sakharov just a week before he died. The people have other priorities and Sharansky thinks they will not fight over Article 6 of the constitution that enshrined one-party rule. The real moment of decision, of possible bloodshed, would come if the Ukraine was to follow the Baltic states and southern republics in demanding independence.

Ex-dissident Sharansky has tried several times to abandon his misweek before he died. The people

several times to abandon his mission for domestic life. Avital was the main reason that the attempt to make him Israel's ambassador to the United Nations failed. "Now my wife says she has the feeling that everything that went before was really for what is beginning now. I still hope I will reach the situation where I can say that what I can do others can do better." Then, he says, he will retire to a life of lectur-

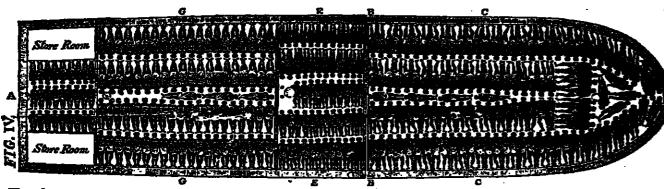
says, he will retire to a me or lecturing, writing and the family.

Avital (formerly Natasha) seems
to be still the emotional pivot of
Sharansky's life. He has confounded
those who predicted his fairytals
reunion with the shy wife — who
campaigned ten years for his
release — could not last.

His first hook has made Sharan-

His first book has made Sharan sky a well-off man and guaranteed his family's independence for sev-

He is planning a second one which he says will be about the contrast between the dissident's perception of freedom in the West and the reality. Westerners, he said, live in a world "overcrowded with freedom" - and then, lacking the experience of what repression is, set about making little prisons for



The plans of a slave ship

Genius of the place

A halt to the devil's work

Nigel Spivey on the home of the man who stopped the slave trade

ILBERFORCE
House in Hull is a
place to which I
should like to have taken my late grandfather. Grandpa was an East Ender possessed of strong opinions. Some of his opinions were well-founded: for example, the only football team con-sistently worth watching is West Ham; others were arguable: e.g., The Daily Express prints nothing but the voice of pure reason; and yet others were downright pernicious: e.g., all black men, nig-nogs and piccaninnies belong to Africa, and if they happen to be elsewhere then to Africa they should be repatriated forthwith. In this latter con-viction, I think Grandpa would have been shaken by what he saw at Wilberforce

Modern museum technicians know how to shake us. If we entered a reconstruction of the hold of a slave ship, and simply saw black dummies stashed and shackled there, we should be slightly moved. But add the noise of the vessel's creaking, and the slow moans of mistreated men, and we are shaken. A mock-up of reality does not always work, but the new layout of Wilberforce House (opened in 1983) is effective. Having passed through the hold, you inspect the plan of a slave ship as drawn up in 1789 as part of the Abolition of Slavery campaign: and it is, as Grandpa would have said, bloomin' diabolical. The devil's work.

Continued

from Page I

chev, there was Steven Spiel berg. Hand-in-hand with an eye for

simple stories with a universal resonance goes Spielberg's vir-tuoso visual touch as a direc-

tor. Only Disney, for instance, ever matched his flair at bring-

ing the inanimate as much as the animate to life. "I love to anthropomorphise objects," he says, when I cite signature

touches like the aeroplane haloed by welding sparks in Empire Of The Sun or the scarecrow-like mailbox in The

Few, if any, popular film-

makers today map out their movies with his degree of poetic imagination. But the

down-side to Spielberg's talent



participation was widespread. Of Liverpool circa 1750 it was said that every brick of the town was "cemented with an African's blood." Choice coun-try retreats were built on the proceeds of the slave trade.Only the vital component of greed in human nature can explain why William Wilberforce and his associates made it their lives' work to end slavery.
The associates were impor-

tant - they included Pitt and Fox in Parliament, the poet William Cowper and Josiah Wedgwood, the genial pottery king - but Hull is right to specially celebrate her native Wilberforce. One of the city's landmarks remains the col-



dates the philanthropist: a Dutch-style building seques-tered in High Street, a cobbled Jacobean segment of Hull, which once played host to Charles I. And though he had nothing to do with the house, a portrait of Andrew Marvell hangs there: another MP of

hangs there: another MP of whom Hull may be proud.

As a museum, it is instructive in many ways. One thinks democracy a clean and well-tried British institution: but it was a plutocracy in which Wilberforce participated (his seat in Parliament cost him more than £8,000). Evangelical Christians were the people who mobilised the most martiwho mobilised the most practical measures in the campaign



Wilberforce: assuaging the guilt of a nation

as a visual story-teller is his weakness for the fey or senti-mental: a weakness which infects much of Always and which, given that Spielberg is Spielberg, is like a "Follow Me" sign for the rest of popular American cinema. Indeed, over the past year, almost the whole of Hollywood seems to have become Spielbergised. Family movies abound. "Magic realism," middle America-style, is everywhere. And although you cannot blame one man for the schmaltzier excesses of films like Look Who's Talking or Parenthood, Spielberg, the imperialist of innocence, the man who proved that naivety and wonder could be gold at the box office, cannot be

acquitted wholly. What we need - and what Spielberg needs if box-office response to some of his recent films is any sign — is another dart in a new direction — surely not too much to ask from the man who re-awoke our primal horror responses in Jaws; invented the beatific trees fable in Class Facultation space fable in Close Encounters and ET; and, although he sits atop a mountain formed of shattered film industry records, still looks more enthusiastically to the future than to the past.

"It's exhilarating, I guess, to have those records. It's as exhilarating as it would be to run a marathon and get a gold medal at the Olympics. But it's not a goal," he says. "George Lucas and I joke about it... One day, when Beverly Hills Cop got into the all-time top 10 earners, George said to me: 'OK, Steven' — Spielberg puts on booming voice — 'you're charged with Beoerly Hills Cop

out of the top 10? And we joke about it, but we don't take it

causes for shame too.

Wilberforce House, Hull, is open Mon-Sat, 10am ~ 5pm; Sun 1.30pm ~ 4.30pm, Admission free. Tel: 0482-222737.

"The nicest reward for mak-ing a popular film is just that: people get to see your movies. The theatres are packed, they're loving it, and that they're loving it, and that makes the process very worthwhile. But there's another process that's very personal. There are films where I don't care what they make at the box-office; they're ones I just have to direct. Empire Of The Sun is one of the best experiences I ever had making a film. It didn't turn a profit it didn't It didn't turn a profit, it didn't even break even. But if someone said: 'Here's the results ahead of time' - stentorian voice again - 'this film's gonna be \$20m in the red, do you still want to make it? I'd have to say - Yes. I want to

'We get a lot of spies in here' Christina Lamb visits an unusual Covent Garden giftshop

shop in central London, a man is speaking furtively into the telephone about an interior ministry official writing a subversive spyth-riller. Next to a pile of rare Gracie Fields 78s, a huddled figure in a large overcoat is leafing through a pamphlet and straining to hear. John Le Carré would have been proud of the scenario.

Suddenly the muffled silence is broken. A Cockney voice asks "'Ave you got any ov that Albanian toothpaste?

A secret code? I wait for the manager to reply with some-thing on the lines of "The red eagle lands tonight." He disappears into a backroom and strange scrabbling noises can be heard. He returns triumphant, clutching a red and white tube looking suspi-ciously like Colgate.

A mysterious exchange for a Covent Garden shop on a busy Saturday. But this is more than just a haven for Gracie Fields fans. Owned by a stockbroker called Martin, this is the Albanian Gift Shop Limited and the last vestige of the Cold War between Britain and Albania.

The shop has an uncertain future. For a while on the night of the Christmas Revolution in Romania it was touch and go whether the marble busts of Enva Hoxha which dominate the window display would remain. Hoxha was the Stalinist dictator who ruled Albania with an iron fist until his death in 1985. He represents all that is most repres-sive about the last bastion of Stalinism in Europe. To criticise him is to be denounced as

anti-state. As rumours flew thick and fast that the Albanian govern-ment would follow its Romanian counterpart and collapse within hours, the manager thought it might be tactful to remove the busts before London's few Albanian exiles came

on the rampage. The reports of unrest in Albania turned out to be unsubstantiated, although dipunsubstantiated, although dip-lomats in the capital Tirana did say "something unusual is going on," and so far the Hoxha busts remain. At 224 a time they are not a great seller, and Hoxha's collected works have not caught on in the same way as Albanian tooth-nation.

paste.
"Let's face it, Albania has very little to offer the average person." sighs Liam McDowall, the manager, who is not an Albanian but has visited the

Country on business.

The shop has never made a profit, admits Liam, and the success of the toothpaste is success of the toothpaste is proving quite a problem. Albania, it transpires, is pretty short of toothpaste and the Ministry is suspicious of people in Britain wanting theirs. But with the shop being located in trendy Covent Garden, tubes of rendy Covent Garden, thoes of Paste dhembesh (Albanian toothpaste) at £2 a time are the very thing to have in one's bathroom, Liam has to make frequent visits to Tirana and smuggle out boxes of the stuff.

Albanian cigarettes (Compatridors) also sell quite well even if they do crumble at first attempts to fix them into gally even if they do crumble at first attempts to fix them into gally painted, if a little unwieldy, wooden Albanian cigarette holders. While Western journalists are smuggling Kent cig-arettes into Romania, in neigh-



From toothpaste to visas: the semi-official window into Albenia

bouring Albania businessmen are smuggling Compatridors

But Liam cannot remember selling a single copy of Speak-ing Albanian, a useful phrase-

The first phrase is "Hello Comrads," which would pre-sumably be really useful if one ever found oneself unexpectedly in Tirana, a place with the dubious recommendation of having the world's highest number of secret police per

capita.

The shop is somewhat restricted in its stock, partly because, apart from chrome, Albania really doesn't produce much but also because, accord-ing to Liam, a man at the Brit-ish Foreign Office draws up a list each year of what cannot be brought in. For some reason this year it includes shoes. A box of Albanian slippers was recently impounded by cus-toms who give anything Albanian a very thorough going

over. Britain is the only Western country that has no diplomatic relations with Albania since a dispute in 1946 when two British warships were blown up by a mine in the Corfu channel and 46 sailors killed. The Alba-nians claimed they had no mines and that the British were there fllegally on a spying

The International Court of Justice ruled in 1950 that, distinct rules in 1900 that, although Albania was not guilty of laying the mines, it did have knowledge that they existed and ordered them to pay tim in reparation. By this time Britain had launched an invasion of Albania so the Hoxha government refused to pay. Hoxha



At £24 a time, the Hoxha

argued that Britsin had with-held half the relevant documents which, even today, despite the 30 year ruling -have not been released. Hence a rather strange advert in the giftshop window for naval papers from 19469 which Albanians believe will show the

British ships to have been spying. In retaliation, Britain refused to release the Albanian state gold that had been looted, first by the Italians and then the Nazis and which had been put in the trust of the British government after Berlin was liberated by the Allied Forces.
Today it is still gathering dust in the vaults of the Bank of England and is estimated to

be worth £40m. A campaign for the restora-tion of Diplomatic Relations with Albania petered out when hardly anyone turned up to a much-publicised demonstration outside the Bank of England. Presumably if the commu-nist regime of President Ramiz Alia became the last to fall in

the East European house of cards, talks would be struck up pretty quickly.

But until that time, the shop continues to be regarded with a mixture of suspicion and use-fulness as the only channel of semi-official Albanian govern-

ment contact.
This is where the tour manager called in a panic the night before England were due to play Albania in the World Cup as the only place in Britain he could find an Albanian flag to put on the pitch. David Smiley once passed over Gracie and bought six volumes of the celebrated Hoxha.

brated Hoxha.

In between sagging shelves of opera records this is where visas are negotiated, where Australian women who have fallen in love with their guide during a package town of during a package tour of Albania seek assistance to res-cue their amour. Liam's stran-gest request to date was from an expert in Gulliver's Travels requiring a copy of the book in

On my first visit, as I battled through the Gracie parapher-nalia, the His Masters Voice dog and gramaphone, the red Hoxha tomes and marble busts and the incongruous red, white and blue record sleeve of How To Be An American, Liam was muttering into the receiver about Yugoslav news reports on unrest in Albania.

here," he said later, to explain his muffled tones, "The Serbs abuse us and say that Albanians rape their women, the Kosovans think we're Serbian agents and sometimes hysterical Croatian women even threaten to firebomb the shop."

Most people just come in to buy records, Albanian three part cigarette holders not really having caught on. Ironically, many of the world's rarest records are in fact in Thana, the capital of a country which has no record industry and where records are unavailable and thought passé. Albanian music is only available on CD and has yet to hit the

The Alia government argue they are circumventing the period capitalist countries went through and moving straight to CDs and videos, possessed by most high rank-ing party members.

This did not prevent the unstoppable Martin shipping over 40,000 of his most valuable over 40,000 of his most valuable records to set up a national Sound Archive which has received the rare honour of a visit from Mrs Hoxha, the widow of Enva. As head of the party ideological wing she is thought to be the main block to reform and even today an Albanian's promotion pros-Albanian's promotion pros-pects depend heavily on eulo-gising Hoxba's forty years of tyranny. This gives Hoxba busts a guaranteed market among the three milion population of the only country still to hold out against the tide of revolution sweeping Eastern

While the average London-While the average Londoner's view of Albania is limited to visits to the Albania Gift Shop Limited, of all Eastern European countries Albania has always had the closest window on the west, obtaining Italian, Greek and Yugoslav TV nightly.

Sometimes this leads to Sometimes this leads to ironic situations. Albanian cinema, which produces just 12 films a year, showed its first screen kiss last year, amid great outrage, although for years people had been watching Italian porn movies almost every night.

Liam admits he is ready to move the Hoxha busts at a moment's notice, although he doesn't know what he'd replace them with.

"Being an Albanian is pretty "We get a lot of spies in boring really," he shrugs

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GARDENING/MOTORING

Carpets of contrast: the perfect borders

Robin Lane Fox prepares for spring planting

THE GALES cost me height up to the near end of only two panes of glass in the green-house but they were never going to stop my imme-diate task of finalising three new borders, which exist in outline and need to be planted next month. Flower borders are more likely to be damaged by their owner's mistakes than high winds. I am sure I have made most of these mistakes; and if I go through some ground rules, it is with the ultimate rule in mind: nobody gets a border right first time.

A basic rule to remember is that a border should emphasise width, not length. In towns, there is often not much choice beds have to be narrow and must be planted cleverly. On a blank site, however, we all begin by making beds too nar-row. An old rule of thumb is that a border should be twice the width of the height of its tallest groups of plants – four yards, therefore, if you are thinking of a serious back row filled with the new white mallows, perhaps, or plume pop-pies, or some stylish globe arti-chokes with buds that can be picked and eaten before the plants become an untidy mess.

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Mixed borders, which include shrubs, should usually be even more generous. Width allows subtle variations of height: it gives the border a proper foreground and allows you to cope with everyone's problem, the front row. Beside paths, front rows are quite easy: sun roses or low-growing gypsophila will spill forwards beyond the border's edge. The trouble is that we transfer the idea of this informality to borders which run into grass; bor-der plants cannot spill on to the lawn, the lawn grasses must run back into the border.

First-timers forget that they cannot plant right up to the edge of such a border, the best things grow furiously forwards and need to go 2 ft or more behind the edge. Width, here, must allow for them. Narrow borders also look pinched if town gardens have an advantage. A long, thin plot forces you to look down the flower beds, not straight into them, so the main view is not a full frontal Make the most of them by bringing some transparent

the border. Transparent height comes from a sparsely-branched plant which is tall without blocking the view. In these mild win-ters, the violet-mauve verbena Bonariensis is admirable for the job. Fennel seeds itself too freely but some of the salvias are excellent as are Japanese anemones, especially in semi-

Transparent height breaks the sight line without blocking it. Beyond it, try to exploit a



thin garden's length by plant-ing only a few tall plants at wide intervals and then inter-planting with much lower-

Long, thin borders are a flop in every sense if they are packed with well-meant phloxes, anchusas and tall campanulas. All of them lean forwards and make a nonsense of a narrow strip. Limit yourself to a few focal plants and remember that they are tall in different ways. Some of them throw up tall

spikes of flower from a present-able lower clump of leaves (acanthus, for example), whereas others are tall up right up to the tips from which, eventually, they eventually. The former are preferable: in between, you can contrive a sense of space in the foreground by planting much lower plants: pinks or violas or the admirable London Pride Among these lower plants,

you then bury some spring-bulbs later the contrast of tall flowers and low carpets make up for a long, thin bed's lack of

width.
Usually there is a wall or fencing panel behind on which you can grow a climber (not a wall shrub) as a flowering backcloth, It, too, contrasts well with the lower under-

In higger gardens, you will be seeing the beds head on and will face different problems. Strong colours in the front row will detain the eye and prevent it from ranging backwards into the bed's full depth: keep the strong reds for the middle to back rows. Try, too, to plant in narrow drifts, not in the big circular clumps which many

instant border designs suggest. That old master, Gertrude Jekyll, always used elongated drifts in her border plans because she realised that clumps show-up more strongly when they have gone out of flower: drifts are thinner and the eye will leap beyond them to whatever looks in season behind or beside them. Essentially, she was right a clump or two can run back into the depths and cut across a drift but, contrary to so much modern practice, a clump is not the best basic unit.

Last, you have to decide whether to go mixed or limit yourself to herbaceous border ants only? Mixed society is certainly preferable. In bigger beds, it allows you to give a wide border some back-bone and to hold a long composition together by repeating a type of shrub and giving the design a sense of identity. My advice is sense of identity. My advice is to choose only one or two types

of shrub, space them well and stay with them.

Pick something which is not too tall or leafy: the admirable indigofera for a sumny border or the popular grey-leaved rose Glauca (formerly called rubri-folia). I chose the arching white deutzia Setchuenensis.

Back your judgment; remem-ber the value of upright rosemary in the front line and try not to chop and change between too many varieties of shrub. A mixed border is not a mixed bag. It must not distract what you are aiming to outwit, the fickle human eye. These rules are rather gen-

eral but I believe in them. In this week of shattered beech trees, ruined boundaries and overturned woodland, there is something safe and reassuring about a good flower border. We are not lowering our sights if we also think carefully about the garden's lower levels.

N YEARS to come, the 9000 model could go down in history as the last of the classic Saabs. Last year, the General Motors Corporation took control of Saab's car division. When the time comes to replace the 9000, probably in the mid-1990s, GM's infigence will be felt. Where? Well, Saab has never

made a car with more than four cylinders. Indeed, its earliest products had two-stroke engines with two and then three cylinders, always with front-wheel drive.

As Saab, like most small-volume producers, sees a move up-market as both desirable and inevitable, it is a fair bet that the 9000's eventual replacement will have a GM V6 or even V8 under the bonnet plus, perhaps, active suspen-sion and some of the other electronic marvels GM has up its sleeve.
All that is for the future,

though. At the moment, Saab's biggest and grandest cars, the CD range, have four-cylinder engines. For those who like to be individual, not conformist, and who enjoy getting the best out of their vehicle, they are none the worse for it.
I lived with two 9000s for a

fortnight - first, a CDi 23, and then a CD Carlsson. The CDr's recommended price of £16,745 includes an exhaust catalyser, power steering, electric windows and door mirrors but you nows and door introvision you pay extra if you want a sun-roof, installic paint or in-car entertainment.

Although, in the early stages, the 9000 was developed jointly with the Fiat Croma,

Lancia Thema and Alfa Romed 164, and uses the same floor pan, it looks, feels and goes like a proper Saab. Its newly-designed engine has 16 valves and twin balanc-

ing shafts. These allow it to deliver its 150 horsepower so silkly that you could take it for a six unless you allow it to labour at low revolutions. If you had the optional automatic transmission (£835 extra), which would be my choice, that couldn't happen.

Not that the manual car needs a lot of gear changing. The torque curve is almost flat between 2,000 rpm and 3,800 rpm, which means it pulls

Last of the classic Saabs?

Stuart Marshall on what could be the swan-song for a Swedish saga

smoothly and hard throughout the speed range you use on the open road. (In fifth gear, 2,000 to 3,800 rpm equals 46-87 mph/

Through-the-gears accelera-tion is adequately lively rather than kick-in-the-back. More importantly, perhaps, the 9000 goes from 37-62 mph (60-100 kmh) in fourth in less than 10

Keep below 4,000 rpm and the Saab is a quiet, relaxed motorway cruiser. I heard little wind noise - a sign of careful which holds — a sign of careful assembly as well as good aero-dynamic design — and road rumble was subdued. This was due in part to the soft-riding. medium/low-profile Michelin MXV2 tyres. They give away just a little handling at the ragged edge of adhesion but run more quietly and comfort-ably than fatter, sportier tyres. The 9000 is a big car internally, with plenty of room for five people, but it isn't bulky overall and has an enormous boot. Sitting up properly behind the wheel, my head was nowhere near the roof. The driving position is excellent and you stay comfortable on a long journey.

In a genuflection to British tastes, the plain, easy-to-read

instruments are surrounded with walnut veneer. And as you would expect of a Swedish car, the heating/ventilation system is most efficient. I had no need of a scraper on frosty mornings. With the engine left idling and heater on full blast, the windows were clear in a couple of minutes after a cold

Fuel consumption is in the 23-28 mpg (12.8-10 1/100 kms) range. On a briskly-driven 300mile motorway trip, I saw 27 mpg (10.5 1/100 kms). While the CDi 2.3 has all the

performance most business motorists need (or can handle), some want a big car to have more "go" and will pay extra for it. For them, Saab offers the £25,995 CD Carlsson. It is named after Erik Carlsson, who rallied Saabs to interna-tional fame when few outside Sweden had ever heard of the make. Now 60, he still drives like an artist and is a hard man to keep in sight, let alone stay near, on a test circuit. The Carlsson is his idea of a

road-going Saab. Instead of a 2.3-litre, naturally-aspirated engine, it has a turbo-charged two-litre putting out 185 horsepower at 5,600 rpm. Gearing is a shade lower, the suspension firmer and the tyres (Pirelli P700 on my test car) fatter and quatter. It has side skirts and

a boot hid spoiler.

The turbo-charger provides useful boost from about 2,500 rpm (say, 50 mph/80 kmh in top) upwards and gives forceful acceleration through the gears.
The engine spins willingly up
to 6,000 rpm. It's tempting to
let it do that, but it also pulls vigorously at half that speed. I enjoyed the Carlsson's spar-

saw nearly 26 mpg (10.9 1/100 kms). Enthusiastic use of high revolutions in the lower gears will give a mpg figure in the low 20s (say, 13.5 1/100 kms). The fat 50 series Pirellis had less effect on the ride that I had expected - on smooth roads, at any rate. They made ground, steer more responsively and corner fast with even greater security. On the down-side, like all very wide

tyres, they made it wander

slightly now and again as they

reacted to less-than-perfect sur-

Adding a catalyser, automatic climate control and a CD player puts the CD Carlsson's on-the-road price up to £28,000. If that seems a lot for a fourcylinder car, remember that you can pay much more for a Porsche 944 or Mercedes-Benz 190 2.5-16. True, they have even more performance - but they can't match the Saab for space.

The good-practice that became unmentionable

LETTER from a reader asking about the possible value of wood ashes in the garden reminded me how completely these have gone out of fashion with gardeners. What was once a routine part of good garden practice has become almost unmentionable.

It is no longer acceptable to light bonfires in urban areas, and even country dwellers like me are liable to be accused of polluting the atmosphere and destroying the environment if we burn our woody refuse in the traditional manner. Yet, this is still the cheapest way of getting rid of it, the surest way getting rid of it, the surest way of destroying any pests and diseases it might be carrying, and a useful way of enriching the soil with potassium, one of the elements essential to the life of green plants.

But there are dangers as well as the perfect to be considered.

and it occurs to me that what I have told my correspondent might be of interest to other

Wood ashes contain various chemicals, including phosphates, from magnesium and manganese, all of which are required by plants. Potassium carbonate and lime are likely to occur in greatest quantity. Since both are alkaline, wood gahes will tend to make soil more alkaline (or less acid, whichever side of the neutral divide it happens to be on), which might be good or bad according to what you are trying to grow. Increased alkalimity is unde-

sirable if you are trying to grow plants that require an acid soil, such as rhododendrons, azaleas, camellias and some heathers and lilies, par-ticularly if the soil is already edging in the wrong direction. But it would be foolish to jump to the conclusion that no wood ashes must ever be scattered where such plants are growing. Gardening is nothing like as

simple as that. If there is doubt, it would be wise to make an occasional check of the pH of the soil. Simple test kits can be bought for this and usually include instructions which enable the



user to interpret the readings in practical terms.

Most plants have a wide tol-

erance to both acidity and alkalinity and many actually prefer the latter. For most gardens, it is only excessive use of wood ashes, continued over many years, that could end in really serious problems. I have seen that happen even in gardens managed by well-trained people. They just did not know about the dangers.

So, what is a reasonable use of wood ashes? It would be of wood ashes: 14 would by easy to dodge this question by pointing out that their pots content can vary enormously from sample to sample, not only according to what was burnt but also to the way in which the ashes have been stored. Potassium carbonate is soluble readily. Leave wood ashes lying about outside for a

Arthur Hellyer on the dangers and benefits of wood ash in the garden

few winter months and much of the potash is likely to have been washed out of them. Store them in a dry shed and they will retain their value for

But there is also the ques-tion of what was burnt. Most people are surprised to learn that herbaceous material gives more potash than a corresponding weight of mature wood. One authority claims that the ash from young fronds of bracken can contain as much as 50 per cent potassium carbonate, and that the worst samples from wood or sawdust

could be as low as 4 per cent. Yet, you cannot be testing and checking everything. You must follow some rule of thumb, a middle course that is likely to even itself out over the years. I would suggest an annual application of six ounces per square metre as reasonable unless you know the soil is already too alkaline. In that case, I would keep off

wood ashes altogether. Potassium is essential for all green plants at all times but is in greatest demand when they are producing fruits and seeds. Tomatoes respond very obviously to it as they begin to ripen. But be careful of overdoing the supply to the extent that growth is checked by this over-concentration on ripening unless the plants are

already near the end of the sea-

son and no more growth is

Potassium can also assist in the ripening of woody stems and, as a consequence, can make plants more resistant to frost, whereas excess nitrates would have precisely the oppo-site effect. Animal manures can be fairly rich in nitrates and, before fertilisers became available freely, gardeners used to rely on wood ashes to check this excessive growth, aided by bone meal to supply extra phosphates.

Organic gardeners would almost certainly prefer this treatment to the use of manu-factured fertilisers although, in a sense, wood ashes are "man-ufactured" since they result from deliberate burning and the potassium carbonate they contain is certainly not organic.

For urban and suburban gardeners and all those who, for one reason or another, disapprove of bonfires, the engineers have come to the rescue with increasingly ingenious garden refuse shredders which pulverise a wide range of materials. I am told that they are selling in ever-increasing num-bers and I can see why, since they grind-up all the small prunings (although not the very thick ones) into easily-dis-

able fragments. Most experts advise compost ing the fragments with plenty of softer green refuse to make them decay more rapidly. There is certainly no objection to this, but it involves more time and labour and I wonder

if it really is worth-while.

The rapid growth in the use of shreided bark — a material that, not so long ago, would have been regarded as wholly undesirable in the garden— has surely proved that shredded garden waste, including hard wood, can be used most profitably as a surface mulch to protect the soil, keep it warm and moist, and enrich it

At Wisley, the Royal Horticultural Society's gardeners are experimenting with deep mulches of shredded bark to protect the roots and underground growth buds of many plants considered usually as too tender to be safe outdoors in Britain's winters, except in specially-favourable localities. It is far too early to report positively on the results of this experiment - which can be seen on the south side of Battleston Hill, where the land slopes steeply down to the trial grounds - but the idea does make a lot of sense.

down and don't, for whatever reason, wish to leave the car to get assistance. But a new electronic device brings aid to a driver in danger outside his - or, especially, her - car.
The Bodyguard Personal

CARDBOARD rear window

signs saying "Help - call police" are fine if you break

Attack Alarm is for people like estate agents, social workers, doctors or nurses who make frequent calls in their cars. You write the address of the place at which you are calling on an illuminated panel on a white box with flashing blue

X / HEN ADRIAN cer in the Parachute Regiment, he got used to being dumped in remote places with orders to survive on nature's bounty. But despite the legendary suc-culence of broiled hedgehog, he never ate one — which is just as well, considering that he is the inspiration behind the British Hedgehog Preservation

Society.

It is probably the Tiggy-winkle factor that gives the society's name its slightly comic appeal, and Coles is resigned to the illogical attitude of people who become ter-ribly earnest about otters or badgers but fall to take he hogs seriously. He has taken them very seriously indeed ever since he found one trapped in a cattle grid at his Shropshire home in 1982. After rescuing it (with some difficulty), he conceived the idea of an escape ramp. Despite a certain amount of

media hilarity, and with the help of some shrewd publicity — including a demonstration on television's Blue Peter pro-gramme — he managed to persuade all the major countryside organisations that ramps should be added to all grids, new and old. What astonished him was

the public response to this simple idea. Letters poured in, many containing money for hedgehog welfare, and the general assumption that a pressure group existed forced him to start one. He admits freely that he had no special interest in hedgehogs at the time. Now, they have taken over his life. It could not, as they say, have happened to a better man. A cheerful extrovert of forceful and persuasive speech, he now heads an organisation with 8,000 members worldwide. And they are not, he is careful to point out, just "mid-dle-class do-gooders." In Britain, they range from peers include the niece of Beatrix Potter.

As he discusses the behaviour of hedgehogs, you begin to realise that the creature does need protecting. Totally inoffensive, it seems destined to collide with the works of man at every step, trapping itself in cattle grids, nestling in unlit bonfires, falling into garden ponds and rolling itself confidently into a ball as the juggernants amproach.

Because this capacity for getting into trouble seems to appeal to children, a considerable part of the society's

For the driver in danger

and red lights on top. This you leave in a conspicuous place, like the fascia or parcel shelf, and take a pocket-size transmitter with you.

To get help, you press a button on the transmitter. This makes the box in the car flash its lights and sound a siren. The idea is that a passer-by will call the police. Bodyguard, which costs £425

plus VAT, can also be used to get help at the roadside. The

makers reckon any police patrol would want to see why a parked car was flashing red and blue lights. Details from Blue Chip Systems Group, Lufton, Yeovil, Somerset BA22 8RS (tel. 0935-22223). For less than one-10th of the

Bodyguard's price, Flatmate copes with deflated tyres and small car fires. It is a cylinder of highly-compressed CO2 gas with two attachments — one a tyre valve connector with

pressure gauge, the other a blower nozzle. Kept inside the car with the like any other extinguisher, seconds, it will blow up five or six normal-size car tyres that have gone flat (or, of

ATS tyre service outlets (see Yellow Pages) and costs £34, plus VAT. A larger size is £37, plus VAT, and either can be re-charged by ATS for £2.50. I can't think of a more useful motoring accessory. ■ Jet-lagged, I pressed the wrong calculator button and maligned the Lincoln Town Car in my report from Detroit recently. Its 24 mpg (US) equals a remarkable 28.8 mpg (Imperial), not 20.

want to change the wheel).

Flatmate is stocked by all

S. M.

Outdoors



Prickly not by nature

resources goes into educational material — and not all about hedgehogs, because Coles sees this friendly animal as the ideal introduction to the study of natural history in schools. But he cautions: "Hedgehogs should never be kept as pets, although there's no great harm in putting out food for them. Not bread and milk, though that's like feeding a child on chocolate and jelly. They need meat, and tinned cat food is as good as anything."

Homely advice of this kind pours from the society's headquarters, helping to foster an image of "endearing British eccentricity." But other activi-ties are under-publicised: for example, the quiet but persistent parliamentary lobbying for new laws against cruelty to give more protection to semiwild creatures.

The saucer-of-milk myth dies hard because of a lack of readily available scientific information. The society is trying to remedy this by financing post-graduate research into hedgehog behaviour under the direction of Dr Pat Morris of London University, the country's leading expert. One practical result has been

a technical guide for vets, who

are called-upon often to cope with sick and injured hedge hogs picked up from the way-side by well-meaning pass-

Oddly enough, the reputation of the society as a fount of scientific knowledge seems to be better-perceived abroad than at home. Coles advises many of the world's zoos and recently, helped to establish the first family of hedgehogs in Canada. He has no besitation in pro-

claiming his home as the "Hub of the Hedgehog World." And the money? That comes from the modest memberahip subscription and the unashamed sale of T-shirts and other "hedgehog goodies." But there is never enough, which is why I was surprised to be given an expensive tie at the end of my visit. It is, of course, embla-zoned with hedgehogs, and proves an immediate talking point whenever I wear it. The major knows a thing or two about publicity.

☐ The British Hedgehog Preser vation Society, Knowbury House, Ludlow, Shropshire SYS

Lawrence Farmer

blower nozzle fitted, it works snuffing out small electrical or petrol fires quickly. Fit the other attachment and, in course, the same one five or six times if it is losing pressure quite quickly but you don't

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Too many wine labels say nothing, thinks Jancis Robinson

LTROUGH MOST of us wine writers tend to dwell on the conis on the bottle is probably more important to many consumers. No one who has spent pick bottles off a shelf can doubt the power of the label. One of the prime difficulties for any wine drinker encoun-tering a new bottle is to work

out which of the dozen or so unfamiliar proper names on the label is the name of the wine, which the name of the producer and which are the

producer and which are the words that give most clues about the wine's birthplace.

After many years' study I reckon I can locate most of the French appellations and VDQS wines (although the legion of VDQS) Vins de Pays seem a pretty unruly rabble to me). Many is the label of Italian vino da tavola I have pored over, however, hoping for a more familiar geo-graphical clue than the name

of its native village.

I often have to wait until the cork has been pulled so that I can read the two-letter code that tallies with local number

Two important pieces of information in the jigsaw of any wine's identity should be spelt out on every wine label, usually along the bottom: its alcohol content (anything under 11 per cent is low, over

12.5 per cent is high for a table wine) and where it was bottled. Experience has taught me to be wary of wines imported into Britain in bulk — with the notable exception of some great pre-1960s clarets and vin-tage ports. As a general though not invariable rule, the nearer to the vineyard a wine was bot-tled, the cleaner, fresher and more direct its flavours.
But labels, especially back labels, are now trying to do much more than communicate

mich more than communicate a name and address. Presum-ably spurred on by the huge proportion of wine bottles sold straight off a self-service shelf, many wine bottlers clearly see the label as having taken over the ich of selections. the job of sales assistant.

I am all for this. Whether a

bottle is plucked off a shelf or ordered from a wine list sight unseen, the buyer is quite likely nowadays to be knowl-edgeably curious and to welcome as much information as possible about what he or she has bought.

Infuriatingly, however, many bottlers blithely ignore the increasing sophistication of their customers and fill their back labels with a swathe of words that tell them precisely

You've come across these wine "descriptions," I'm sure. They take up about 15 lines of text assuring you that the wine in the bottle has been produced

from only the "very finest" (but unspecified) grape varieties, grown in "ideally situated wineyards" that are often
"within sight of some snowy/
rugged/spectacular mountain
range that you might have
heard of - or, if the vineyard is obviously miles from any other landmark, then perhaps "cooled by sea breezes" from some nearby marine mass. This is if the wine comes from somewhere known for its warmth. English or German

wine producers are more likely, on the other hand, to

I SUSPECT no FT reader would dream of picking off the shelf Zagarron, La Marcha 1988 Spanish white, £2.49 at Safeway. The lurid, lime-green label boasts no fewer than 14 different but undistinguished typestyles and the appellation "Vino Blanco Joven" is not one with a high profile in this country. Perhaps it should be, on the basis of this particular young Spanish white which exudes lemony fruit that is far cleaner and crisper than is usual at this price. An excellent hos white on which Safeway's own back label is, as usual, a model of good,

labels are a model for answer-ing any question an intelligent wine drinker could think of: grape varieties, vintage condi-tions, winemaking details, bottling date and an outline of wine style and likely developmicroclimate (spurious science is a favourite on back labels). Producers will then probably go on to boast that their grapes were picked "at the peak of ripeness" (well, they would hardly admit that they got back from holiday to find the birds at the raisins, would they?) and "in optimum conditions." These perfect if mysterious grapes are usually then

Hardy's Australian wines. and, among supermarkets, Safeway and, increasingly, Tesco are following in Torres' footsteps, often in usefully graphic form. Sainsbury's have long been exceptional in telling their customers how long their

I'm all for it.

My sindes reveal that if the hapless individual in the marketing department who has been saddled with devising copy for back labels isn't sure which grape variety a wine is made from, then it will simply and invariably be described as "traditional." "A blend of traditional varieties" means he hasn't a clue. If the wine is sweetish and white it will be "fruity": if sweetish and red, "fruity"; if sweetish and red, then it is "mellow." "Smooth" is a tricky one. It doesn't really

their customers how long their wines will last.
Ridge Vineyards of California were notable pioneers of the California let-it-all-hangout school of labelling and today still offer a good 200 closely printed words that are, usefully, dated. Since this is elucidation rather than hype, I'm all for it.

My studies reveal that if the

mean anything, except probably that he has read up all the

consumer research which tells us that this mysterious attribute is the one most sought after by new wine drinkers. And, talking of marketing, my favourite back label of all is that behind the heavily promoted Gallo Cahernet Sauvignon 1982 from California. Those Gallo brothers. Ernest Those Gallo brothers, Ernest and Julio, tell us that it was in October, 1982, that they went out and picked the grapes, and that "Oak Aging (Slavonian)" was extended for an extraordinally less 48 months. narily long 46 months — more than twice as long as a typical Bordeaux stint in oak, which, I'm afraid, suggests to me that demand was so slow they just

had to ship it across the Atlantic to us. They also tell us the wine's

They sigo test us the whole pH is 3.45 - a fact that I'm sure many wine buyers find comforting - and that the wine's "total acidity" is 0.66, which means next to nothing unless accompanied by some unless accompanied by some unit of measurement.
But I've saved the best hit to the end. The text accompanying all this labspeak reveals that instead of just bottling the wine and then storing it until they had an order to fulfil, like most of the world's wine producers, that kind Ernest and Julio Gallo "patiently bottleaged it on the cork" for us.

mation on a smart grey-and-pink card I found with some burgundy ordered recently from the excitingly revitalised Domaine de l'Arlot on which was written: Dear Client, This wine has just travelled and should rest several months. In an effort to assure maximum quality we do not filter our wines. That is why there is often some deposit in the bottie. We recommend that you stand the bottle up right three hours before the meal, and decant it at the moment of serving." Now, that's what I call useful.

Compare this with the infor-

Cookery

Bunteresque dreams of gale-proof feasts

OTHING beats gales and power cuts for keening the appetite. On our fourth day without electricity at the start of this week, I realised that all my thoughts (and most of my storm-bound hours) were directed at preparing meals or eating the

Even while chopping logs from fallen trees, gathering up the shards of broken roof slates or dragging the remnants of fences out of harm's way, I was talking about food and planning menus, and at night I had Billy Bunter dreams.

This was raw, basic greed: food as fuel to keep me going, not refined gournet yearnings Our wind-lashed faces grew bread on sticks in front of the fire to accompany boy-scout panfuls of baked beans and fried eggs. Meanwhile, the top of the Tortoise wood-burning stove proved a godsend for heating soups, warming dinner plates and foil-wrapped loaves,

and toasting nuts for dukka. The biggest life-saver has been the little butane gas camping stove which I bought a few years ago. It has done valiant service, boiling gallons of water for the cuppas and hot water bottles without which life would have been

It has helped to conjure-up reviving soups, enough tagliatelle to feed a small army, and generous bowls of

I have fried apples in butter over my trusty little stove and flambéed bananas with rum. I have posched fish and sautéed chicken joints. I have steam-fried red cabbage and stir-fried leeks and other fresh vegetables we had in the

Having thus graduated from the basic cuppa, and the winds having abated enough for me to reach the shops, I was planning to cook a spicy quail couscous in the Moroccan

manner, perhaps even an ambitious Chinese meal with the foods packed in pagoda-like tiers of steamer baskets over the single source of heat . . . But then the electricity was

So, I roasted the leg of lamb which had been waiting to be cooked since the previous Thursday and made the pudding I had thought out and

dreamt about all the while. I expect I could have made it on my faithful little camping gas stove, but the long cooking time would have used up a great deal of precious fuel.



STICKY GINGERBREAD PUDDING

If time permits, make this pudding a day ahead and re-heat it for serving. That way, it will be a little darker, richer and more aromatic as I discovered when

re-heating the left-overs.
For added protection against foul weather, drink with the pudding (or pour over it) a generous tot of warmed ginger

As a final, delicious touch, hand round a jug of proper egg-and-cream custard sauce scented with vanilla or cinnamon so that everyone can help themselves.

Ingredients: Black treacle and golden syrup; five oz butter; six oz self-raising flour; two to three teaspoons ground ginger; one teaspoon ground cinnamon; half teaspoon

ground allspice; three large eggs; 1½ tablespoons ginger wine or milk; four oz stem

Method: Stand the tins of treacle and syrup in a pan of hot water for about 10 minutes this makes the contents runny so they are easier to measure. Use half an ounce of the butter to grease a pudding basin of 2 %-3 pt capacity and also a circle of greaseproof paper large enough to cover

the pudding.
Dice the remaining 4½ oz of butter, put it into a warmed mixing bowl and beat until creamy and light. Add three level tablespoons of golden syrup and four of black treacle and beat again until well-blended with the

Beat-in the eggs one at a

Sift the flour with the ground spices and work them into the pudding mixture. Stir in the ginger wine or milk and, finally, mix-in the finely-chopped stem ginger thoroughly.

Measure three tablespoons each of black treacle and golden syrup into the buttered pudding basin and pour the pudding mixture gently on top. Cover the basin with the buttered paper and then with a sheet of foil, and secure this "lid" firmly under the basin rim with string.

Steam for two hours, topping-up the pan with extra boiling water if necessary. If the pudding is to be served as soon as cooked, run a palette knife round the inside

of the basin to loosen the pudding and turn it out onto e hot plate Alternatively, let the pudding cool in its basin, still wrapped, and store it in a cold larder overnight.

Re heat it for serving next

day by boiling for one hour.

then unveil and unmould it as described - and tuck in. Phillipa Davenport

series to the new star, Morphy, who conceded odds of pawn and move and sent the stake to

TICTORIAN PARIAN is a ceramic collect-able which never quite comes back into fashion. It has its enthusiasts; and from time to time a notable effort such as Richard Dennis's monumental 1984 exhibi-tion at Chelsea Town Hall sparks interest; but neither enthusiasm nor prices ever escalate to the level of, say, Minton, Majorica or De Morgan

ous grapes are usually then fermented with maximum

care," prior to spending "long months" (presumably only those with 31 days in them) in "top quality oak casks," before being bottled at another opti-

mum stage in their evolution.

There's usually a new paragraph here and the spiel continues with a description of the wine together with serving "suggestions." Strange how

many white wines are "crisp, with a fresh varietal aroma,"

and how many reds are designed to be drunk "with most meat dishes and cheeses."

I have been studying back labels or their equivalents (many bottlers believe this sort of guiff is so important that they have moved it on to the front label) closely for some

time now and have to report a wide variety of success rates in

reporting genuinely useful information. Torres of Spain has told the whole truth and,

so far as I know, nothing but for years now. Their back

Yet Parian represents one of the highest accomplishments of 19th century Staffordshire

of 19th century Staffordshire ceramic technology.

Perhaps its very refinement militates against it in an age which prefers the robust primitivism of cottage pottery. It is true there is a graveyard look about this white, scaled-down statuary, better auited to Osborne House or the Sculpture Court of the Crystal Palture Court of the Crystal Pal-ace than to modern homes. Still, we miss something in

still, we miss something in neglecting Parism.

The essays in The Parism Phenomenon (\$40), edited by Paul Atterbury and published by the indefatigable Richard Demis as a belated accompanion to bit 1924 exhibition. reveal the significance of Parian in early Victorian England.

Parian was an improvement on "biscuit" ware - white, ungiazed porcelain which originated in France and was produced by the Derby factory from the 1770s.

with its chalky, porous body, biscuit was difficult to produce without distortion and discoloration in the firing; and in substant use was subject to straight and the substant was subject to straight and in the substant was subject to straight and substant was subject to straight and substant was substant was substant with the substant was substant was substant with the substant was substant w

The new ware overcame these disadvantages. The intro-duction of Felspar, newly imported from Sweden, permitted higher vitrification of the ware at lower firing tempera-tures. The raw material, composed from a mix of Felspar with Cornish clay and Cornish stone was cast, in a liquid or "slip" state in plaster of Paris

moulds. Elaborate figures and groups were made from numerous moulds, the separate parts being skilfully "mended" together before firing. Minton and Copeland later disputed the invention of Par-

ian, but it is certain that both firms had their first products on the market early in 1846. The ware - also known as statuary porcelain or, at Wedg-

Collecting The graveyard charms of Parian

wood, Carrara - with its dense, silky, creamy-white sur-face, was almost indistinguishable in appearance from white marble; the name was derived from Paros, the island source of the finest Greek marble.

Parian suited Victorian enthusiasm for education and popularisation. Just as steel engraving made great paint-ings accessible, if not to the masses at least to the burgeonmages at least to the surgeon-ing new bourgeoisie, so Parian made it possible for every mod-erately prosperous home to have great sculptural works in

Opportunely, Benjamin Cheverton had invented a

Janet Marsh a ceramic which is never quite in fashion

"reducing machine" for sculpture, patented in 1844, just before the appearance of Par-

Cheverton's machine was a cross between a pantograph and a dentist's drill. As a pointer was moved over the contours of a piece of sculp-ture, a drill exactly copied the shape, in reduction, on a block of clay. Minton and Copeland enthu-

siastically embarked on production of reduced copies in Parian of the popular works of the great masters, classical and modern. In time they commis-sioned new designs from major sculptors.

The judges at the Great Exhibition of 1851 were enthusiastic: "If well employed it may contribute to improve the public taste. It has already led to the great multiplication of copies of both antique and modern groups and statues, as well as to new designs of a similar kind." While improving public

Yenus, after Clodion. Minton 1862

taste, it also undoubtedly offered licensed erotics for the middle classes, under the guise of art. The 1850s congrainlated itselves that they had overcome the prudery of the previ-ous generation, which had not tolerated the unclad human

form; and Parlan production abounded in beautiful maidens with very little to conceel their

and more guiness, at a time

Such educational pleasures came dear: the cost of Parian could range from three to six considered themselves many wearn £50 a year.

The marketing of Parian owed much to another curious cultural-commercial phenomenon of early Victorian Engiand, the Art Unions, the story of which is told by Roger Smith in The Parian Phenometrian Art Unions were a non. The Art Unions were a kind of artistic lottery. For one

when most people in Britain considered themselves lucky to

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guinea a year, subscribers received a handsome print or album, as well as a chance in a anium, as went as a chance in a draw for a variety of major or minor works of art. Parian pro-viding the ideal consolation prizes; and the makers could thus rely on a guaranteed sale of 50 or 100 copies of a new subject.
The Parian Phenomenon use
Unstrates

fully catalogues and illustrates the repertory of the principal manufacturers. In general the Copeland output tends to favour the more sentimental astes of the Victorian middle

Herbert Minton was an educated cosmopolitan and engaged as factory modellers some distinguished French artists, among them the gifted quently one of the most promi-nent Parisian sculptors of the Second Empire, and Rodin's teacher. Copeland's star was the Italian Raffaele Monti, whose cleverly sculpted veiled ladies are still smong the most popular subjects. Along with the statuary went bust portrat-ture of the celebrities of the

mid-Victorian era. Besides Minton, Copeland, Wedgwood and Worcester. numerous other Staffordshire companies entered the Parian market. The prolific enterprise of Robinson and Leadbetter started as late as the 1870s, and their successors continued to introduce new figures well into this century, One of the last was a bust of Winston Chur-chill, marketed in 1914. Indeed one of the shocks of

this book is how long after its fashion had definitively faded, Parism continued on the market. At the start of the Second World War, the major produc-ers could still supply works that had been in production 80 years or more. The Parian Phenomenon

may not succeed in converting a new generation of all-out col-lectors; but it could well inspire the occasional invest-

ASK AN average player to name American champions and it is likely he will come up and it is likely he will come up only with Bobby Fischer and Paul Morphy, whose glittering career — with wins over the leading European experts — spanned just two years. Morphy is thought widely to have been the first official US title-holder through his richters of holder through his victory at New York 1857; but Edgar McCormick and Andy Soltis, in their informative book US
Chess Champions 1845-1945,
show that Morphy had a
little-known predecessor.
He was Charles Stanley of

New York, who won the title in 1845 and defended it in 1850. In the latter match, Stanley's challenger was a gentleman farmer from Kentucky named J. H. Turner, who had a fixed belief that he had discovered a winning variation of the King's The match attracted a stake

ART GALLERIES

CRANE KALMAN GALLERY ITALLERY

ITS Brongeon Rd. SW3 534 7366.
20TH CENTURY BRITISH ART.
Works by: P. HAYMAN, L.S.
LOWRY, A. LUWNDES, H. MOORE,
BEN NICHOLSON, WINIFRED
NICHOLSON, J. PIPER, SIR M
SMITH, R. SPEAR, G. SPENCER, B.
WYNTER, Until 29 Peb. Duby 10-6
San 10-4 (5 mins from Harrock)

Chess

of \$1,000, a massive sum for the time. It took 17 games but was completed in only four days; completed in only four days, contrast that with the weeks and months of Karpov's epics against Korchnot and Kasparov at Baguio City and Moscow. The problem for Turner was that his special gambit was refuted the first time he tried it while, in other games, Stanley's superiority was manifest. was manifest

White: C. Stanley. Nine: C. Staney.
Riack: J. H. Turner.
Guicco Piano (match 1850).
1 e4 e5 2 Bc4 Nf6 3 Nc3 Bc5 4
Nf3 d6 5 d3 h6 6 Be3 Bb6 7 Ne2
Be6 8 Bb3 c6 9 Ng3 Nbd7 10
O-O O-O 11 Qe2 Re8 12 Rad1
Qc7 13 Nb4!

Qc7 13 Nh41
White groups his knights systematically for attack while several Black moves, like he and Qc7, were plan-less.

13 ... Nf8 14 N455 Ng6 15 Qd2
Bxe3 16 fxe3 Kh7 17 Qf2 Rh87
Allows a simple combine. Allows a simple combina-tion, but 17 ... Ng8 18 Nh5 also

favours White. 18 Nxg7! Ng4 19 Nxe6 fxe6 20 Qf7+ Qxf7 21 Rxf7+ Kg8 22 Bxe6 Re8 23 Re7+ Kf8 24 Rxe8+ Kxe6 25 Bxg4 Resigns. Pollowing the match, the vanquished Turner went back to farming and lived to a ripe age; Stanley took to the bottle. Several years later he lost a

Stanley's wife because "Stan-ley would have drunk it up." Turner, despite his lack of success, began a tradition of American chess masters-cumgentleman farmers which endured for half a century. The best was Preston Ware of Boston, who thought up his favourite defence while gather-ing in his wheat crop one harrest time. Ware's patent was 1 e4 a5, and he named it the Meadow Hay Defance. Nobody has played it before or since. Ware also featured in the first important chess scandal. He claimed that his final-round

opponent in the 1880 US cham-pionship had bribed him to pre-arrange a draw but then, as Ware was "moving back and forth" mechanically, the rival broke through sneakly for a win. As has happened in some modern allegations of fixed results there was to little results, there was too little supporting evidence, so the appeals committee opted for a "not proven" verdict. The sus-pected briber emigrated to Britain and Ware returned to his meadow.

By far the best player among the gentleman chess farmers was Jackson W. Showalter of

Kentucky. He won the US title several times and was a formidable opponent even for Pills-bury and Marshall, the leading US professional grandmasters of his era. Bluff and out-going, he was popular widely and the crotchety world champion, Steinitz, paid him a rare com-pliment: Showalter is one of the six people in the world from whom I would accept a

rigar."

The only gentleman farmer of modern times has been weaver Adams of Boston who, like his predecessors, had individualistic views about opening strategy. He believed that chess is "White to play and win," the title of his booklet which appeared in a fresh edition each time his various winning systems (Bishons Opening systems systems (Bishons Opening systems syst ning systems (Bishops Opening, Vienna) were refuted in

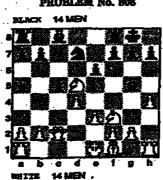
ing. Vienna) were refuted in turn.

To emphasise his views, Adams lived in a white house and kept white chickens which, it was said, laid white eggs. As US Open champion late in the 1940s, he was invited to the Hastings Premier. I recall his acute disappointment when he found that all his British opponents had access to a copy of his book and were primed for his special variations. variations.

Modern US championships rarely feature such charming eccentricities, but the record for the shortest game was set

as recently as 1984: White: K. Shirazi. Black: J. Petera. Sicilian Defence. 1 e4 c5 2 b4 cxb4 3 a3 d5 4 exd5 Qxd5 5 axb4?? Qe5+ 6.

Resigns.
The loser prohably had other things on his mind: not long before, Shirazi had emigrated hurrielly from Iran during the period when chess was banned by the Ayatollah. PROBLEM No. 808



WEITE 14 MEN .

(take in hoard) F. Casas v. L. Piazzini, Buenos Aires 1962. White (to move) is in check, and Black has planned the continuation I Nd2 Bd8 preserving his bishop for long-term advantage. How should the game go?
Solution Page XXI

Leonard Barden

BOTH MY hands today come from rubber bridge. Let us start with a contract of three no-trumps and study Keep in



opened with one club. North replied with one heart, South replied with the heart, South re-bid one spade and North said two diamonds — fourth suit forcing — which encour-aged the opener to jump to aged the opener to jump to three no-trumps.

West led the two of dia-monds. Taking East's knave with the ace, South led the two of hearts and finessed the knave, which held. Crossing to the club ace, the declarer led his other heart and finessed

the queen. East took with the king and returned the nine of diamonds. South won with his king, crossed to the ace of spaces and cashed the heart ace. West

Bridge

showed out, and that meant defeat by one trick. South has six top tricks in aces and king, so he needs only three tricks from hearts. and must make quite sure that he gets them. At trick two, he should run the seven of hearts. East wins with the nine and returns the diamond nine. South lets this hold, wins the next diamond, leads his last heart and finesses the knave. East wins, but the three hearts in dummy are good. South takes the club return in hand, crosses to the spade ace, cashes the hearts and claims. Not to duck one round of hearts was very poor technique. Now for the same position in



With North-South game, North (the dealer) bid one heart. South said two clubs, neart. South sain two ciuls, North re-bid two diamonds — two no-trumps is considered correct today — South bld two no-trumps and North redsed to three. Now, East decided to double, asking West to lead a heart, and all passed. West duly led the eight of hearts. The nine was played

from dummy, East won with the 18 and returned the space seven. The declarer wan with the queen and played his club three. West took with his king and led his last heart, which ran to the seven and queen. ran to the seven and queen.

That was the end of the defence. East could not continue hearts with advantage, so he led another spade. South won, forced out the ace of clubs and collected nine tricks.

East is faced with pracisely the same position as South in the previous hand. He should allow the heart nine to hold. Now, when West gets in with the king of clubs, he leads his other heart. Rast wins dummy's seven with the 10 and dislodges the ace with his king.

Later, when he gets in with the ace of clubs, he cashes two hearts to defeat the contract. Yes, it is the same problem, but it seems harder for a defender to see. defender to see,

E. P. C. Cotter

Lucia van der Post meets the man who is making classic clothing available from an out-of-town superstore chain

F ANYBODY has been thinking that George Davies, ex-Next, ex-Burton, ex-Pippa Dee and before that ex-dentistry stu-dent, has been lying unusually low they are about to he disabused. Next week in a flurry of publicity and carefully orchestrated peeps and interviews, he is about to unveil his latest venture— a range of clothing for tien, women and children in all 196 of Asia group's out-of-town stores. This is the first of his new

company, The George Bayles.
Partiership, in which Asda has a 20 per cent stake. Davies and his wife, Liz, own a controlling 51 per cent while the rest of the shapes are a controlling. the shares are owned by GDP the shares are owned by GDP staff. Davies name, of course, was inextricably linked with Next, that retailing phenomenon of the Eighties, of which almost everyone has heard andwhere many of us have shopped. It was Davies who intuitively felt that out in the market-place there was a whole group of shoppers who whole group of shoppers who longed for designer items but only had chain-store incomes; and that between the designer and that netween the designer boutiques and Marks & Spencer lay a huge opportunity. And so Next came to pass and, although he and we all had a merry whirl, it ended in a hitter passing of the ways when ter parting of the ways when the Davies's were ousted in a boardroom coup just before Christmas 1988.

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Clearly, one of the problems was that Next was a concept that outgrew its natural size. If you are trying to market an exclusive, designer image, it is, by definition, almost impossi-ble to do it convincingly if it is available on every high street. As Davies has never been a man to think small, if is possible that the broader market that Asda offers, may suit him

He relishes the chance to reach a wider audience. At Asda the "George" depart-ments will not attempt to offer anything exclusive or even highly fashionable. What he and his team (he is very insistent that it is a team effort, which includeshis wife, and some 80 others, many of whom followed him from Next) have followed him from Next) have aimed to do is to provide reassuring classic clothing at good prices to a much wider audience. He is adamant, though, that they are design-led and that though they are offering classics, they are classics with a twist. Above all, he says: We're working to a much keener price level than at heres to be a much

He is adament that he said about to do another Next. Apart from anything else times have changed The High Street, he believes is tired, dirty, run-down. There's nowhere to park escalating costs have put prices up. For some time now I've had a gut feeling that outof town shopping was the big thing for the future." The lower overheads of the out-oftown stores mean that they can offer much better value than their High Street rivals For instance, I can sell a pure wool man's suit for £39.99 that I'd have to charge £120 for on a high street site. I can sell a man's cotton shirt for £13, which would otherwise be

He was also attracted to Asia because he saw a huge gap between the quality and sophistication of the food and wine and the clothing. They hardly seemed to be appealing to the same kind of people.

'Asia does some \$130m worth of business in clothing and footpager and he felt that if he

footwear and he felt that if he



George Davies at the Leicestershire HQ of his new venture, the George Davies Partnership, seen here with the first 'George' collection for Asda group stores

could inject some zip and style, and son and mother doting on not just into the clothing but her brood. The mood is cominto the way it was presented, sold and packaged then there was no knowing where they

might go. Davies has always been interested in packaging and for Asda he has designed hanging packs which can be hooked to the side of trolleys so that the clothes can be easily carried along with the haddock and

the washing-powder. As to the clothing, it looks as if it is going to be rather more fashionable than Marks & and a great place to search for what I call the essentials of the wantering but histoner, almost every woman needs a really good, plain, white T-shirt, and yet they are difficult to find at ones never look right and

designer label T-shirts at more than £30 seem a nonsense. The 'George' T-shirt, at £5.99, is great value. Good quality cotton, in excellent colours, including white, and a nice flat neckline. I'm pretty sure I shall be in there trying on the cotton jodhpurs and, if I still had small children, I'd be searching

out some children's wear.
What we have here are chithes with which to greet the family-orientated 90s, clothes without a hint of the power-dressing, go getting, Londsamoney culture that infected the ney culture that infected the 80s. Gone are the clothes with which to land the great new job, to win the boardroom battle, to stin the client. What we have with 'George' are clothes with which to play at Happy Families. Here we have grannle, reassuringly lined of face, gnarled of wrist, clutching dewy grandchild, plus father

As to the city - it seems its mood is sceptical. It has yet to be seen whether good quality clothing can be sold in out-oftown stores alongside the haked beans. Of course, Tesco, another group with out-of-town stores, sells clothing along with the food, but so far it seems to concentrate more on the easy pick-up items like hosiery, sweaters, ties and shirts, and sees itself less as a serious clothier of the sort that Spencer's current women's the Asda departments clearly ranges, (although how it competes on the men's clothing front will be interesting to see), more up-market than Tesco, and the set of who retain a downmarket image of out of town fashion, and I'm going to have to per-suade consumers that clothes can be bought out-of-town as successfully as food and con-

George Davies is a survivor and while he may not be an accountant's dream he is an ace spotter of retailing oppor-

The success of Next was far more than just luck - it took finely tuned instinct for the moods and tastes of a genera-tion to meet its needs so precisely. Next went wrong for a complicated set of reasons — the most important of which was that it expanded faster than its finances and its managerial skills could cope with — but if George Davies can learn from the past and concentrate on what he does best, tuning into the aspirations and needs of the shopper in the street, then his new enterprise could be one to watch. Certainly, I feel quite sure that a lot of interested parties, from Asda shareholders to retailing pundits, will be finding their way to their stores next week.

Then there are worries about the costs of refitting the George departments in the stores and when and whether it can all be recouped. But

London's A3 out of Putney but here is a supermarket that, once you get there, seems to offer everything you've ever hoped for and a lot of things you'd never thought of Star items to look for:

Full-length buff cotton coat,

■ Well-cut cotton jodhpurs, nicest in sand colour, £22.99. ■ T-shirts in good substantial cotton jersey, nice and flat around the neck and in lots of colours, including white, £5.99. ■ Men's all-wool suits at £89.99, but sold, à la Marks & Spencer, as separates, jackets 262, trousers, £27.99.

■ Tights in smooth satiny lycra, in good colours and the right texture, £1.65 and £1.75. ■ A very well-priced range of underwear, ranging from spor-tybras to the preities. Excellently priced chil-

■ A brown safari length ■ Hand-stitched leather shoes with properly welted soles at £32.99 a pair.

TOP RIGHT: Some of the star buys in the 'George' collection for Asda are the basics that every wardrobe needs. Still going strong this summer is the jodhpur-influenced trouser, here in sand-colo cotton at £22.99.

Worn with it is a classic, round-necked T-shirt in good thick cotton, at £6.99 and an all-leather three-buckle belt in tan at £10.99. The buff coloured, long cotton jacket at £59.95 is a good spring and summer stand-by.

RIGHT: He wears a classic leisure outfit of jeans, polo-shirt and blazer, exemplifying perfectly the 'George' declared goals - to provide good quality basic clothes with classic supeal.

The buttonfly jeans in 100 per cent cotton, are £18.99 and piqué polo shirt (pink er blue) in 100 per cent cotton, £10.99, and a 100 per cent navy wool



Winter warmers for windy weather

THERE ARE some (chiefly those who, like me, are about to set off for the Alps) for whom this winter hasn't been anything like cold enough. But for all those thousands who have spent days on end without heat or light, in the wake
of the storms, it has probably
been too cold by haif. As I
speak more wind, rain and
what meteorologists like to
call "unsettled weather" are
predicted, so here, for those
who have had enough of cold
and damp, are a few chilly
weather comforters: for all those thousands who

IF YOU'RE looking for thermal underwear to ward off chills and draughts, most of the shops - wouldn't you know are sporting bikinis and sun-tops. Certainly the chainstores sold out long before winter proper set in. Marks & Spen-cer, which had an excellent range this year, reports that it had sold out well before Christ-

Those who are still looking might like to know that Fen-wick of New Bond Street still has a collection on sale, although mainly of the rather expensive kind. Pure wooi leggings, vests, long-sleeved tops and briefs by Hanro range from £13.95 to £31.95. A deliciously ritty range from Italy, Malizia, sells at prices ranging from £29.95. Meanwhile Sur-vival Aids of Morland, Penrith, Cumbria, CA10 1BR, has a plain but softly luxurious silk collection at prices ranging from 25.95 for a pair of silk socks to 224.95 for a longsleeved vest. There are also silk gloves (useful as lining gioves for skiers) boxer shorts, balaciavas and short-sleeved Vests.

And don't forget Damart those pioneers of the world of under warmth — its 20 shops are open all year round and those out of reach of the shops can always use the catalogue. There are thermals for men, women and children in featherlight weave or double force Thermolactyl for the really chilly brigade. Prettiest is its floral sprigged collection of



underwear and nightwear. For a catalogue write to Damart, Bowling Green Mills, Bingley, W. Yorks, BD97 1AD.

Sketched here is a black and black cami-tops at £6.99, knickwhite striped thermal all-in- ers at \$4.99 and black bodyone body from the Knicker- wear at \$10.99.



THOUGH eminently useful to fall back on in emergencies, when the heating fails, the warmer is made from chrome and, whereas most handwarmers run on charcoal sticks, this Peacock handwarmer could also be just the thing to transform all those winter spectator sports, such as cheering on the school rugby team or providing back-up support for the shoot-

Once upon a time the handwarmer used to be a classic out the country or buy it by gentlemen's accessory but these days they seem to be forgotten. The Peacock hand-

one works on "a catalytic prin-ciple" which seems to mean that it runs on fuel lighter which you light and then extinguish. It is stored in a vel-vet pouch and keeps hands warm for up 12 hours. £11.95 from Troika stockists through-

THE HUGGIE is a new invention this year - a hot-water bottle without any water. It was designed to help those whose hands are perhaps shak-ier or less dextrous than they were and it means that there is no need at all to fill the bottle and risk scalding from spillages. It works by being plugged into the electricity (so, alas, no use when the electricity is down) and it then takes under ten minutes to heat up to a thermostatically controlled temperature which it retains far longer and more evenly than the traditional bottle. £23.50 (inclusive of VAT) from John Bell & Croyden, 54 Wigmore Street, London W1. It can be bought by mail order for £2.50 extra to cover postage and packing.



FOR A really sturdy collection of rainwear, it is worth looking at the Loofy range. Loofy was started by Lucinda Edsell and she now sells her distinctive rainwear at country fairs and events as well as to some of the most established of sportswear shops. The charm of her range, to my mind, is that it looks all of a piece, that it has been carefully designed with real wear in mind and that it looks the part. The fabric is all oiled cotton. Colours are either navy or olive, lined with Lindsay, or Stewart of Bute tartan. Pieces in the collection range from full length raincoats to childrenswear, from water-proofed overskirts to backed rugs that could be a godsend on a typical British picnic. Photographed here is the Loofy

range for children - the souwester hat is £14 and the

raincoat, about £40, depending

on size. The fabric is machinewashable Superwax with easyto-manage button fastenings. Rugs are £45, capes £130, coats, £110. Find the Loofy range at Holland and Holland, Harrods, Purtdey, Farlows, Gordon Lowes, Country Corner in Harrogate, Country Cousins in Cheltenham, Devon Clothing in Charlbury, Oxford and in many more country outfitters. For a local stockist contact Loofy Limited, 53 The Chase, Clapham Common, London, SW4 ONY. Tel: 01-622-8738.

> **EMMA HOPE'S** SHOE FOR MEN & WOMEN SALE

33 AMWELL STREET EC: Tel: 01-833 2367



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Malaysia in Focus

TRAVEL

The princess who cursed an idyllic island

Lotus eater David Dodwell travels from Langkawi to Penang and Malacca

S I LAZED under the room's gently wafting fan, staring sleepily soon-free throughout the Eurosleepily through the verandah doors and silhouetted palm trees at the sun setting over Pulau Singa, I could not help musing what Mrs Thatcher had made of it all

just three months ago.

How struck had she been by these mellow stilted Kedah longhouses, built of rich red native woods? Had she padded barefoot along the white coral sand and mused over the sunset? Did she notice the warnings about invasions of paddy beetles at rice harvest time? Or of jellyfish off the beach? Or the offer of prayer mats for the Moslem faithful?

Doubtless she, and the other heads of state flown in to Langkawi's new Pelangi Beach Resort for a weekend of "R & R" in the midst of one of the Commonwealth's more acrimonious summits, had loftier thoughts on their minds than the idiosyncrasies of one of Malavsia's newest and – in

mataysia hewest and — in spite of the paddy beetles — most lovely hideaways. Since Mrs Thatcher was still smarting from accusations of perfidy over joint statements on South Africa, she would have felt a kindred sympathy for Mahsuri, a local princess who, according to legend, was falsely accused of infidelity and sentenced to death. When executed, her innocent blood flowed white; as she lay dying she cursed Langkawi island for

seven generations to come. This legend-riddled group of islands off peninsular Malaysia's west coast has had more than its share of bad luck since Mahsuri died, and the seven generations have only just passed.

Many locals – not least

say it was fear of Mahsuri's curse that prevented earlier tourist development of the island. There can be few other reasons to explain why such an idyllic corner of the globe should have been overlooked. Langkawi was to be the first of three locations visited along peninsular Malaysia's west coast and as Loverheard news of monsoon rains along the east coast I could not help feel-

pean winter months; Langkawi was probably the country's prettiest and least developed resort area; Penang, also on my itinerary, was perhaps Malaysia's liveliest and most culturally diverse island resort; and Malacca, my third destina-tion, was an historical treasure trove, receiving ambassadors from China in the early 1400s and later lusted over as a colo-nial prize by the Portuguese, Dutch and eventually the Brit-

ury) of Pelangi Cruises' French-built yachts (try instead the speedboats operated by Langkawi Marine Sports Services, close by the Pelangi Beach Resort). Islands around Langkawi may be uninhabited by people, but they are humming with wildlife, from brown eagles overhead to gibhons and parrots in the jurgle

bons and parrots in the jungle canopy and iguanas and turtles around the water's edge.

At present, only half a mil-lion people visit Langkawi

every year. Its tiny airport, comfortable only with small aircraft, sees just 15 flights a

week. Government officials say they want to treble the tourist

influx to 1.5m by the turn of the century. They may suc-ceed, but for anyone hooked on its innocent charms that will

no doubt be the time to look

for somewhere else.

A half-hour hop in a Fokker
50 drops you abruptly into the
bustle of Penang, perhaps Malaysia's most familiar island

resort. From Langkawi, it is

brash, loud, and very Chinese. The Chinese make up about 30 per cent of Malaysia's popula-

tion, dominating its business

life even after two decades of government policies favouring

If you have been spoilt, as I have, by being pampered for too many years in too many exotic hotels, then you will have little option in Langkawi but to stay at the Pelangi Beach Resort. A good second best would be the Langkawi Island Resort close to the main hamlet of Kuah, but for dis-tinctiveness the Pelangi Beach

has no match.

Outside the hotel, pleasures are simple: the tourist infrastructure has left only the lightest imprint on the Island. Malaysia's resorts have been left to grow out of a living culture rather than create a synthetic environment especially for tourists, and Langkawi is no exception. By jeep the main island can be circumnavigated in a couple of hours.

They say that local marble was used as ballast for Lang-kawi's roads — in which case it is a minor blessing that there are so few of them. It was only when visiting the Seven Wells - an astonishing and entirely natural slalom of water cascades and rock pools that culminates in a 300ft waterfall - that I wished for more tarmac. It took more than a little fortitude to clamber, streaming sweat, though side up to the first of the "wells." Even the wild jungle flowers, Raja Brooke butter flies and screaming cicadas

passed unappreciated Another over-rated pastime in Langkawi is snorkeling, unless you travel three hours out to Pulau Payang, then the coral is paltry and the sea misted by sediment washed down from the island's inte-



Langkawi, on the west coast, where pleasures are simple

the Malay - or bumiputera - majority and its urban communities, particularly down the

peninsula's west coast.
It is the racial pot pourri of Penang that underpins its appeal, because alongside the Chinese and the Malays have settled communities from every corner of Asia. In Geor-getown, the island's largest community, gongs and bells in Hindu, Buddhist and Taoist temples vie with calls for Mos-lems to prayer in its many mosques; Chinese temples, emblazoned with what can only be called an orgy of mythical decoration, lay steeped in sandalwood smoke pouring from joss-sticks the size of gateposts; restaurants and hawker stalls lit by hurricane lamps assault the senses with vegetable, meat and fish dishes

steeped in spices of endless variety. There seems to be a festival for every day of the

It may just be me, but this extraordinary cocktail of activity has much more potent appeal than the white sand beaches that stretch along the island's northern coast, and spawned its first tourist hotels. If you have been spoiled by coral beaches in the Maldives,

coral beaches in the Mainives, the Pacific and the Caribbean, then Penang's sand will have only mediocre appeal.

From Penang, Malacca is sleepy hollow. It is still very Chinese, but it runs in a lower gear. It is hard to imagine that when Penang was no more when Penang was no more than an anchorage for British and Dutch clippers stocking up on fresh water and oysters, Malacca was one of the world's

most important trading ports. First coveted by the Portu-guese, it fell under colonial control in 1511. The Dutch wrested control 130 years later, and in 1834 gifted it to the Brit-ish in exchange for territory in Sumaira. Throughout a 400

Sumatra. Throughout a 400 year period, it was at the ful-crum of east-west trade.
Perhaps, as with Canton in southern China, it was the coming of deep-hulled ships that saw it slip into inconsequence. Today, it has no airport to speak of and is not on any railway line, but is easy to reach by road from Kuala Lumnur.

Lumpur.
The fact that the last half century has passed Malacca by makes it more a living museum than anywhere else in Malaysia. Chugging up the Malacca River - no more than 30 yards wide at its mouth one can easily imagine oneself an opium trader waiting for the monsoon winds to change before continuing one's onward journey to China. Such a trader would doubtless have passed identical Sumatran trading junks moored on the river's banks. The narrow Dutch houses belanced on long stilts over the water will not have changed. The water would probably have been just as polluted, and the metre-long iguanas, which seemed not to care about poliution as they lounged on rocks below the stilts, no doubt have ancestors that stared with similar dis-dain as passing vessels.

Today, only rubble and ruins reminds visitors of Portugal's colonial rule. Touring the town's sites by trishaw seemed the only sensible way to travel. Only one thing troubles me about this form of transport: why is it that seats are designed to be too narrow for two western-sized backsides? As we rode uncomfortably down Malacca's narrow streets, I wondered whether a country just 30 years free of four centu ries of colonial rule had designed them to inflict a dis-

A timeless people

IT IS 5pm on a Saturday and It is spin on a Saturacy and I am sitting, like a timeless person — one careless of his time — in the comfort of the Pan Pacific Hotel, Kuala Lumpur, watching a fashion show. The models — six of them: Chinese, Malay, Indian - are very young and beautiful and also very tall.

Two of the most beautiful ones look to be more than 6ft.
They turn and swish and
turn again, jiggling their
ankles and twitching their
rumps and smiling plastically in provocative parody of the

European catwalk.
The notion of "timeless people" is one I have encountered in V.S. Naipaul's encountered in V.S. Naipaul's Among The Believers, an account of his Islamic travels in Iran, Pakistan, Malaysia, and Indonesia. In Malaysia, in KL, Naipaul met Shafi, a serious young man who had come to KL from a village in the north and who works for the Muslim cause. Shafi abhors waste.

waste. "I will tell you about waste,"

Michael Thompson-Noel waiting for his lunch

Shafi says to Naipaul.
"Recently the Government built a skating rink. After three months they demolished it because a highway going to be built over it. They are building big roads and nighways across the villages. And whose lorries are passing by to collect the produce of the poor and to dump the products that is manufactured by the rich at an exorbitant price - colour TVs, refrigerators, air-conditioners,

transistor radios?"
One day, driving in the country near KL. Shafi and Naipaul see some Malay girls. one of them quite pretty, sitting in a bus shelter, and Shafi says: "Timeless people. Nainaul asks him what he means, and discovers that Shafi is not speaking as a romantic but as a reform

"Timeless people. People who have no limits about time . . . They can afford to wait for a bus. There is no hurry for them to get things done . . . " They are aimless When they meet their friends they say: "How are your children? How about the catch? Is there a lot of fish in the market? What is going to happen to that family? How is the flood? Fifteen feet? Nineteen feet?' Timeless people."

Time passes happly in the Pan Pacific Hotel, though Shafi would not approve. I talk to the organiser of the fashion show, a beautiful and vivacious woman in her 20s who says that the show is sponsored by Yaohan, a KL department store. The clothes are locally-designed and -made and are extremely figure-friendly. The girls are full-time models who earn, on average, about £450 a month. "Is that a lot?" I ask. "It is not a lot," she says. When the show is over, all of us eat more

And now it is Monday, New Year's Day, a little after 3pm. I am sitting at a table in Portuguese Square, Malacca, watching the sun drift in and out of the clouds that are casting an enervating light on the dullish waters of the

Malacca Stratts. Malacca is a 90-minute drive south from KL – a drive through the monotonous abundance of rubber plantations, palm trees, rice fields, banana and mango trees and the tin roofs and little gardens of the *kampongs*. Malacca lives life quietly. Not a lot happens, though the state-owned oil company. Petronas, recently signed a contract for the design and construction of a \$1.5bn oil refinery which ought to be completed by 1992. A malacca cane, with a handle made of buffalo horn, costs £4. In Portuguese Square a Chinese family is eating

mussels and rice, shovelling the food in at enormous spee I chat to a young Malay who says he is from Sarawak. For the past seven years he has been at school in Australia. "I am learning to readjust," he says. "It is not proving to be easy. This place (Malaysia) gives me culture shock. We look at the fishing boats.

We look at the sea. The light is growing softer, so we look at the light. We each take a picture.

And now it is Thursday, 11am, and I am sitting in a modest little eating place in the back streets of Mersing.

low down on the east coast.

drinking coffee with the

Chinese owner. Mersing is

quiet, too, a bit of a tourist

port. Like many Malaysians, the restaurant owner is a well-informed supporter of Liverpool Football Club irritatingly so, for his knowledge of the Liverpool team and their tedious prospects makes me gasp for

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oxygen.
The coffee isn't helping. It is as strong and as black as diesel oil, which leads me to wonder whether it is the coffee that causes the Malay business of running amok. According to a British policeman from the colonial era: "The typical amok involved a gentleman in a completely mad state running down the village street and stabbing

everybody."
The state of *amok* "seemed to create a strange, throbbing. reddish sort of atmosphere around it, with a man working himself up from beginning to seem a little strange and abrupt and then a little bit more difficult and gradually working up and working up but never becoming actively furious until perhaps he makes a lunge and tries to kill somebody. But internally they're absolutely boiling and this boiling seems to spread over into the crowd." And now it is Monday, just

before noon. I am at the Holiday inn resort at Damai Beach, Sarawak, close to the village of Santubong, the first place where the Arabs and Chinese conducted trade with the natives of Borneo. Because I am sure that it is a public holiday somewhere, I am taking things quietly, lolling in the swimming pool, careful about getting sunburnt, sipping crushed cane juice, watching the honeymooners from Singapore and Europe studying



hands beneath the water. Not all of them are flushed. Two of them are sulking, have staged a little fight — I think they are from Frankfurt because Hans had too many "Headhunters" in the cocktail bar last night. A Headhunter is made of whisky, vodka, rum, cointreau, lime juice, cane syrup and Angostura bitters. It is implied, in the cocktail bar, that it promotes astonishing stamina and

and carrying umbrellas — have just emerged from somewhere, blinking in the light.

I am re-reading Naipaul. In writing about Malaysia, Naipaul says that "the new men of the villages, who feel they have already lost so much, find their path blocked at every turn. Money, development, education have awakened them only to the knowledge that the world is not like their village, that the world is not their own. Their rage - the rage of pastoral people with limited skills, limited money, and a limited grasp of the world - is comprehensive. Now they have a weapting even with the world professions. of getting even with the world. it serves their grief, their feeling of inadequacy, their social rage and racial hate."

"How is the flood today? Fifteen feet? Nineteen feet?"

Sarawak – a rich and heady brew

Day I: "We just finish a semi-dry of 18 hours," says the broad-chested foreman at the processing plant at the Sungei Palas Tea Estate, his teeth gleaming brightly in a hand-some Indian face. "That is bad luck for you. It means no tea leaves. You got any ques-

I do not know what he is talking about. It is early in the morning in the Cameron Highlands - a wildly beautiful morning with dew drops quiv-ering on the tea bushes that quilt the estate's lush hillsides which wear a crest of jungle growth only on their crowns. The weather is cool and breezy. There is so much dis tracting beauty up here in the highlands that I am incapable of following the guide's description of how the crop is

I hate factories, anyway ~ have seen too many of them, nasty stinky places, and this is tory, just like any other. "Haven't got any tea leaves?" I say to the foreman. "We are surrounded by tea leaves. Is this stuff any good?" He claims that the tea is excellent so I buy two tins of best and hand him some money, which pleases him immensely.

There is much that is attractive in the Cameron Highlands, which is the largest of Malaywhich is the largest of Malay-sia's hill stations - resort areas developed by the British as upland retreats - and is a few hours' drive north of Knala Lumpur, more than halfway to Penang. There are waterfalls and forests, fluorescent darting birds, a host of famous butterflies, guest houses and hotels, hle and flower farms -

they grow cauliflowers and leeks, roses and chrysanthemums - and unlimited cream teas, shockingly authentic, oozy and richly-jammed, gifted

ing to a brochure at Ye Olde Smokehouse Hotel, where I am staying, the famous Cameron Highlands golf course has an authorised golf shop from which visitors can hire equipment. "Do not be hoodwinked or coaxed by any other agencies," warns the hotel, "as you could be taken for a ride and ended up to be penny wise and pound foolish!

18 hole course with challenging terrain and tricky greens. Precisions reign top on this course. . Golfers have to be properly attired and the golf etiquette as well as local rules and regulations must be strictly complied with and any obstinate violation could result in summary suspension and ejection . . . Do unto others as you would be done by!" In late afternoon, a group of Finnish tourists that is rumoured to include the Finn-ish Agricultural Minister is given a guided tour of Ye Olde

Day 2: After driving south for a while and stopping for vari-

ous coffees I am now crossing

There is also a golf course, as green as Irish linen. Accord-

There is more: "This is a full

Smokestack's residents' lounge, an hysterical room that is crammed with plastic flowers and hideous mounted clocks. A tigerskin lolls horribly. I am sitting in an armpur; or there was the railway, running north to Kota Bahru, near the Thai border, or you took a night train to Singapore chair. Several Finns photograph me. I believe they think and then a coastal steamer to Kuantan, taking three or four days, gliding past islands like

east coast and the large port of Kuantan. The road is good but narrow; what makes the drive frustrating, and undeniably it I am streaming with a heavy dangerous, are the huge trailcold, not because of the rain ers hauling timber, belching but because I have been fidout black smoke and making dling with the car's air condiovertaking hazardous. tioning, switching it on and off

Sarawak blowpiper: there is a 17-acre cultural village at Santubong

Halfway through the journey it begins to rain quite heavily. It is the rainy season on the east coast. The rain makes me smile. I even start to sing. Before leaving London I had suffered a bizarre conversation with the chap at the tourist office, who was horrified that I

the peninsula, heading for the

so that I can blow smoke out of the window. I spend the night at the Hyatt, kulled by a crash-Day 3: After a hot and sticky drive southwards I am now in Johor Bahru, "JB" to all and

sundry, at the foot of the pen-Michael Thompson-Noel feels a sense of kinship when he has a close

wanted to visit the east coast, let alone Sarawak, immediately after Christmas. "I don't want you to go in January." this person had exclaimed. "It is the rainy season there. I am sure you will not be happy." I told him that I didn't sit around in London waiting for it to shipe London waiting for it to shine. The Malaysian east coast is far quieter than the west, less populated, more pastoral, more attracted to Islam, perhaps because it is poorer. In olden times Kuantan used to be a day's driving from Kuala Lum-

encounter with an orang utan at a

wildlife rehabilitation centre

insular, opposite Singapore, feeling amazingly inwell -certainly not fit enough to plunge into the hectic and sweaty nightlife of this large, pulsating city. So I lurk in the Holiday Inn.

conserving my energy, drink-ing milk shakes, waiting to catch a plane to Sarawak and catch a plane to Sarawak and glad that I wasn't on the road last night when the JB police shot and killed three wicked desperadoes – Wong Chee On. 22, Chai Hew Thiam, 26, and Lim Yew Wee, 27. All three of them are described as having been high on the wanted list.

Days 4-5: By the time my plane reaches Sarawak, across the South China Sea, it is well after midnight, but I am

Tioman, which you can now reach by plane.

Kuantan is large and jolly, though by the time I drive into me at Kuching airport and says he is my ground-handler. The first person I meet and talk to in any strange city can have a disproportionate impact on my enjoyment of that place, and in ground-handler Thomas I am uncommonly lucky. He works for Intercontinental Travel, a Kuching firm I would recommend as a minder and

organiser.
On the drive into Kuching,
Thomas tells me of the friendliness and tolerance of Sarawak folk. "We all get on well in Sarawak. All the races mix. There is much intermarriage: There is much intermarriage: Chinese goes with Indian, Indian with Malay, Malay goes with Iban, Iban marries Chinese. People very tolerant. Have a jolly time. And Sarawak is rich place, produce many things." He lists these commodities, finishing with gold. "Coal?" I ask him, misunderstanding him. "Gold," says Thomas. "We produce 24-carat gold and also 18-carat."

gold and also 18 carat."

Because of my 'flu, I tell
Thomas that I plan to miss the Thomas that I plan to miss the scheduled Skrang River Safari (2 days/1 night full board...experience the natural lifestyle in an Iban longhouse...boating and jungle trekking) on the grounds that it sounds too touristy and that I do not want to get wet. "Very touristy." confirms. Thomas touristy," confirms Thomas.
"Also very wet. We must try to

teep you dry. I say that I would like to see some orang utans, man's closest surviving relatives, so the next morning we drive 24 kilometres from Kuching to Semenggok orang utan wildlife rehabilitation centre, one of only three such centres in Borneo, where a number of our beguiling relatives are being reintroduced to forest life. A young orang utan hands me a branch. We pass it back and forth. Then his gaze falters. His mind goes blank. He throws the branch away. His brain is very dim, but he is certainly very beautiful: definitely a rel-

In the wild, orang utans occur only in tropical rain foron the islands of Borneo and Sumatra. It is thought that the total number alive in the world today is between 43,000 and 93,000. The greatest threat to their survival is - inevita-bly - deforestation. See them while you can.
The only other places where

you can see semi-wild orang utans in natural forests are Sepilok forest reserve, in east-ern Sabah, Tanjung Puting national park, in central Kali-mantan, Indonesia, and Bohorok in northern Sumatra, Indonesia. And there are two areas where bolder adventur-ers may be able to seek wild orang utans. Both areas are in eastern Sabah: the lower Kinabatangan River region and

Danum Valley.

I am greatly taken with
Kuching, as with Sarawak in general, and regret that the brevity of my visit prevents me from pushing into the interior, joining the headhunters, looking for hornbills or visiting the national parks. On a scale of one to 10, though, I would rate Sarawak extremely highly:

each other lovingly, holding

virility, but I think that is a Damai Beach is superb. The jungle looms above us. Santubong mountain rears straight into the clouds. Tiny tropical birds, like flecks of disco-colour, flit between the palm trees that are grouped by the pool. A waiter is chopping coconut. A lifeguard shows his teeth. A pair of British tourists -shroud-white and skinny but strutting like bantam cocks

Among The Believers is banned in Malaysia.

Lunch is almost ready. How sweetly time passes. A thousand years from now, the tourists may well be gone but the jungle will still be here And so will the timeless ones, sitting in their kampongs, sitting by the river, sitting with their fishing nets, crushing sticks of sugar cane, watching the river birds and the fading of the light, talking about the weather, waiting about the weather, waiting for their suppers, planning a day's head-hunting or a wife-gathering raid, taking life quietly, oblivious of their time. HIS IS Visit Malaysia
Year, when about
4.2m visitors (10 per
cent up on last year)
are expected to enjoy a taste of
what will undoubtedly come to
be regarded as one of the best
(and best value for money)
tourist destinations in Asia. To
celebrate the Malaysians are THIS IS Visit Malaysia celebrate, the Malaysians are laying on more than 100 special events and festivals.

The people are friendly. There are numerous fine beaches. The hotels are mostly excellent. The jungle looms everywhere, except where they are hacking it down to grow no moin oil.

palm oil.
English is spoken universally – even in the wilds of Sarawak and Sabah, I imagine. And food, cigarettes, taxis, And 1000, cigarettes, taxis, entertainment, petrol and other touristy things are cheap (the Malaysian ringgit, or dollar, is pegged to a basket of other currencies).

The director of the Malaysia Tourist Development Corporation impressed me when he told me in Kugla Lumpur "We

told me in Kuala Lumpur. "We make no effort only to attract high-class tourists. Back-packers are welcome in Malaysia. Everyone is welcome." Here are one or two things you might like to know:

More than 40 UK travel com-panies cover Malaysia. For example, Serenissima offers a 15-day natural history visit that includes North Borneo, taking in Kuala Lumpur, Kuala Tembeling, Kuala Tahan, Taman Negara National Park (three days: the brochure speaks of "elephants, wild cattle, wild boar, primates and the clouded leopard and civet"), Mt Kinabalu

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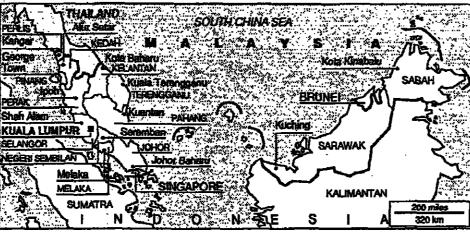
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and civet", sat kinabalu National Park and Penang.
There are two departures in 1990: April 27 (to May 11) and October 12 (to October 26), at a price (twin-bedded) of £1,462 per person, single supplement £250. All Serenissima tours are accompanied by a lecturer and accompanied by a lecturer and

tour manager. Bales offers quite a bit a journey from Bangkok to Sing-apore overland, taking in Phuket, Penang, the Cameron-Highlands, Kuala Lumpur and Malacca (17 days from £1,388); a Jalan Jalan tour of Malaysia

wak) from £1,568.



All you need to know: a guide

By Michael Thompson-Noel, Travel Editor

Kuantan, on the east coast; Tradewinds has its own ASEAN brochure, which includes a Malaysian discovery tour (13 nights, about £1,132) with a seven-night add-on in Penang for about £220), and Kuoni's Worldwide brochure features 15 pages on Malaysia, covering most places, including the lotus eaters' funspot, Langkawi

Most parts of Malaysia are available in endless combina-tions and permutations involving everything from fly-drive

Other UK operators that offer a Malaysian programme include: Albany Travel, Asian Affair, Far East Gateways, Jet-set, Hayes and Jarvis, Magic of the Orient, Oriental Airplan, Page and Moy, Ranger Holidays, Silk Cut, Sovereign Worldwide, Speedbird, Thomas Cook, Top Deck, Trailfinders, Premier Faraway Holidays, Travel Pack, Travel Bag and Vecetical Conference.

Commonwealth citizens (except Indian nationals) plus a few others do not need visas.

Pacific Connection offers. ■ Time: GMT + 8; EDT + 13. various deals to Penang as an E Climate: no distinct season add-on to Singapore and else Warm and humid all year. As where; there is a Club Med vilte tourist people say: "It can lage at Cherating, north of rain at any time in Malaysia but generally it falls mainly in Macau, the Philippines, Singathe afternoons." Wet season: November-February on the east coast, Sabah and Sarawak; August-September on the west coast.

■ You will find a good list of hotels, car hire and airline details in the East Asia Travel Guide 1990, Priory Publica-tions, £5.95 (distributor's tel:

As well as Malaysia it covers Brunei, China, Hong Kong. in Malaysia), Fenguin, 24.99. Indonesia, Japan, Korea. There are plenty of guide-

pore, Taiwan and Thailand. I found it difficult to get good books on Malaysia in London, but there are many available in Kuala Lumpur (eg. the books department of the Yaoban department store). What you can find in London includes in Malaysia by Denis Walls and Stella Martin in the Bradt Publications series,

Kinabalu. MAS was in hot political £5.95, and V.S. Naipaul's Among The Believers (banned airline was first rate (excellent

books, plus excellent natural history titles.

■ More than 20 international airlines, including Malaysian Airline System (MAS) and British Airways, serve Malaysia. Apart from Kuala Lumpur there are airports in Penang, Kuantan, Kuching and Kota

trouble for poor service when I was there, though my own (very limited) experience of the service, chatty pilots, good time-keeping: I must have been lucky). There are special MAS fares for travel within the

country.
British Airways is currently operating four flights a week from London to Kuala Lumpur, two continuing to Australia and two to Manila. BA's excur-sion return fare is £650-£741; Chib World, from £1,638 return; first class, from £3,507.

Malayan Railways offers a cheap 30-day railpass. Train services extend from Singapore

to Padang Besar at the Thai border, linking up with Thai Railways for Bangkok. Regular ferry services ply between the islands. Car rental is available in all major towns.

■ In London, the Malaysia Tourist Development Corpora-tion, which has an extensive range of reading matter, is at 57 Trafalgar Square, WC2N 5DU, tel: 01-930-7932.

Other telephone numbers: Frankfurt, 069-283782; Sydney 02-294441/2; Los Angeles, 213-689-9702; Hong Kong, 5-295810/1; Bangkok, 2367606/ 2362832; Singapore, 02-5326321/ 5326351; Tokyo, 03-279-3081.

■ Malaysia wages a deadly war against drug trafficking and abuse. In the first eight months of last year, 44 drug traffickers were sentenced to death and one to life imprisonment. Scores more await trial. As your plane slants in towards Kuala Lumpur, even the chief steward makes an announcement about the death penalty.

How to plan your own tour

SPELL of building activity some time ago provided Malay-sia with a number of new hotels. It also drove down room prices, which were high by south east Asian standards. After a period of relative high occupancy rates, boosted by strong promotion, rates have risen again by 20 per cent and more, but the cheap ringgit compensates for the higher prices. Top lodgings start at around US\$60 per single. There is also an adequate supply of rooms; the Hong-Kong based Regent, for example, has just opened an hotel in Kuala Lum-

Top Malaysian hotels, both in resorts and cities, are primarily functional and were not meant to rival Seoul's Hotel Shilla or Jakarta's Hilton, for example, in terms of grandness. Although their services and hospitality are good, they and hospitality are good, they have yet to get the recognition earned by hotels in Bangkok, Hong Kong and elsewhere. Hotels and their restaurants add a 5 per cent government tax and a 10 per cent service charge to their rates.

■ Planning. As a guide, here is a travel configuration for those who plan their own tours. Malaysians commonly divide their country into three segments, two on the peninsular mainland and one, across the South China Sea, in Borneo. On the mainland, the Main Rapper impole mountains solit Range jungle mountains split the peninsula down the middle into (1) the west coast and (2) the east coast. Sabah and Sarawak are in Borneo (3).

Ponder the number of days you can spare, then pick any permutation of destinations which, in 10-14 days, say, can combine travel at leisure to six or seven places from any two of the three segments. Select, for instance, a mixture of cities, orang utans, turtles, mountain climbing, and beaches. Required overnight stays in each of the places are given below in parentheses and

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excursions out of town. This configuration combines both road and air travel. Segment 1: Kuala Lumpur (3/

4 nights), Malacca (1, then back to KL), Cameron Highlands (1), Ipoh (1), Penang (3), Langkawi (2). Total: a dozen nights.

Segment 2: Kota Bharu (1) Kuala Trengganu and, for the turtles, Rantau Abang (2), National Forest Park (1, maybe), Kuantan (1), Tioman island (2). Total: 7 nights.

Segment 3: In Sabah; Kota Kinabahi and climbing Mt Kin-abalu (3), Sandakan for Sepilok orang utan sanctuary and Selingan turtle island (2). In Sarawak, Miri and Mulu National Park (2), Kuching and Niah Caves (2). Total: 9 nights.

Flying into Malaysia, start with Kuala Lumpur and work north (Segment 1) to Langkawi. Then catch the morning train to Thailand. If you go east instead, start with Kota Bharu, travel south (Segment 2) and you will end up in Singapore. Pick up Segment 3 from Singapore or from KL where there are several daily depar-tures to Sarawak and Sabah. If coming in by road or rail from Singapore, take the Segment 1 or 2 route. Entering Malaysia from Thailand, start at Lang-kawi.

fixed-rate fares, for the taxi rides from airports to cities. In the cities, pay the meter rate plus 20 per cent for air-condi-tioning. Avoid the buses, both big and small. Trains, with first and second class, seats, run along the peninsula's west coast to Singapore. The International Express, with berths, takes 30 hours between KL and

Bangkok: Chinese, Malay, Italian, Japapese and various mixtures and concoctions. Tea is toy, coffee is kopi, and they are incredibly

Shopping. When buying on the streets, mentally halve the quoted price, then start bar-

First Stop. In Kuala Lumpur, the Malaysian Tourist Information Complex (MATIC) may be helpful. It is housed in the Tunku Abdul Rahman Hall (or Dewan), a colonial building, opposite a school, in Jalan Ampang. Services, paid for by the Government, are: maps, travel and hotel bookings, money exchange, tour guides, food, art display, theatre. It opens daily, Sam to 9pm. Tel: 03-2434929.

Lim Siong Hoon





Hollywood: a place kissed by make-believe

FELL in love with Los Angeles the first time I saw it. Many people will tell you it is an unsightly, smog-infested urban sprawl full of those frightful movie persons; that the place is menaced by keep-fit cults, vegetarianism, jogging and other signs of mental illness; that the traffic i so congested you can scarcely move; ti when you do move you get shot in drive-by shooting;

I need not continue. People who hate LA hate LA. People who love LA acknowledge the truth of the above but still pine for the smell of poisoned air and the horizontal immensity of the place (far more magical than the vertical immensity of New York). Above all they pine - or I do - for Hollywood, the place and the spirit. As you approach LA by plane, you will recognise the city first by the yellow at hanging above it, then by the famous white sign in the hills saying "Hollywood." From one of that sign's giant letters a young silent starlet once threw herself to her death: less from despair, I like to feel, than from a heroic, valedictory euphoria -

"Now more than ever seems it rich to die." Hollywood is the movies and the movies are Hollywood. The place abounds with silver-screen memorabilia, a living museum of the 20th century's unique art form. Many buildings and movie monuments are open to the public. Many lie casually by the roadside, unadvertised and unsoliciting. Nearly all are worth a pil-grimage. My top 10 list of attractions for a first-time visitor would go like this:

1: The Hollywood Barn (Highland Avenue, just north of Hollywood Boulevard). This majestic white-painted shack was Cecil B DeMille's headquarters when shooting The Squaw Man in 1913 and thus the first Hollywood studio. Now a museum full of relics of the period.

2: Whitley Heights. This hilltop residential area just behind the Barn has more stars' homes per square foot than any-where else. Last year, thinly disguised as a prospective buyer, I wandered around the fabulous "Villa Vallombrosa": an Arabian Nights folly which once housed - though not all at the same time - Greta Garbo, the designer Adrian, the distinguished actress Dame Judith Anderson and composer Leonard Bernstein.

3: Mann's Chinese Theatre (Hollywood Boulevard). Formerly called "Grauman's Chinese" after its founder, this oriental extravagance still operates as a cinema. Outside it are the famed footprints of the stars, plus, in Lassle's case, the paw-

4: The Brown Derby, A restaurant shaped like a hat: only if you live outside

LA could you find this odd or tiresome. It is a mecca for movie stars and the Holly-wood in-crowd, so by all means stand outside with an autograph book though you may prefer somewhere cheaper to eat. 5: Griffith Park. When Hollywood movies went on location in the early decades, it meant they came here. Said Sam Goldwyn: "A tree's a tree, a rock's a rock. Shoot it in Griffith Park." Hence the famil-

Shoot it in Griffith Park." Hence the iamiliarity of the odd wood, hill or Westernstyle rocky outcrop. Not to mention the observatory, which featured in Rebel Without A Cause and other films.

6: Sunset Tower. Fabulous Art Deco erection on Sunset Boulevard (East of La Cienega). The silver-painted tower is appeal with exploited marriage syndrousis. awash with sculpted mermaids, sunbursts and bas relief palms. There is nothing very film-related about it, except that since recent renovation it has been affiliated with London's St James's Club and hosts many of Hollywood's most glittering par-

7: Paramount Pictures. That famous arch, those famous gates. See them at 555

8: Venice. This canal-strewn suburb-bythe sea, south of Santa Monica, was rendered immortal in Welles's Touch of Evil. it has cropped up since in films and TV series. Venetian-style arches jostle with modern petrol pumps and peeling diners. Ten points for atmosphere. No points at all for personal security, since the place has developed a sleaze and crime reputation in



Follow the stars on Sunset Boulevard

As regards star-spotting — an activity few can resist when visiting LA — there are two all-important rules. Never go on one of those "Homes of the stars" bus tours. They are for the gullible. Con-persons with the gift of the gab will drive you all over Laurel Canyon and/or Mulholland Drive saying things like: "This was the home of Rudolph Valentino for two months in 1923 and if you look at the ton months in 1923 and if you look at the top oval window on the left" - the only one

Nigel Andrews, the FT's film critic, offers an affectionate guide to his favourite Hollywood haunts - from museums to film stars' homes. 'Once visited,' he says, 'never forgotten'

9: Universal Studios Tour. The Psycho house and the shark from Jaws, plus flash-floods, ice tunnels and much fun for the whole family.

10: Disneyland. But of course.

Hunting out these places, or browsing around Los Angeles at your own will, is sheer delight. Do not be put off by the city's flair for camouflage. Down in the valley all residential streets look the same: die straight strips of tarmac flanked by palm trees and white Hispanic bungalows. Up in the hills, all residential streets also ook the same: hairpinning hells flanked by iron gates, palatial roofs peering above designer jungles, and metal signs saying in 57 varieties of euphemism: "Keep away

you can actually see - "that is the room where he once made love to Vilma

Banky." (How do they know?)

Next stop: "Behind those gates lies the mansion where Greta Carbo once stayed for a weekend. The house was later owned by Elisha Cook Jr's aunt and is believed to be haunted by the ghost of Louis B.

Of course this rubbish is unaccompanied by any actual glimpse of any actual star, unless you happen to drive by James Stewart's house at the moment he is putting the milk bottles out.

No, personal initiative is esse

star-spotting, which brings us to rule two. Never - repeat, never - actually look for a star. It is the equivalent of waiting for a kettle to boil. Given a little nonchalance on your part, they will come to you. There are, however, two localities at which you may be luckier than at others.

First, Sunset Boulevard from the Château Marmont to the Hyatt on Sunset. The Marmont and Hyatt hotels are both good movie-star meccas; even better, on the right day, is The Source restaurant, midway between. This humble, white painted shack is a vegetarian eatery and a trendy place for stars who want to appear Sidney Poitier brushed past me on my very first visit there, spilling my raised spoonful of "Alfalfa Apocalypse." Second, Hollywood Boulevard (east of

Highland). This is the seedy end of an increasingly seedy street. But never mind: it is loved by actors who want to return nostalgically to their days as penniless thespians. Years ago I saw Richard Dreyfuss crossing the road here, with a script held one foot in front of his nose. Actors learning lines have a sixth sense about oncoming traffic.

As a film critic, I have the good fortune

to visit these people legitimately from time to time and to threaten them with a microphone. Of all the houses I have visited, I must pick out three in the near-certain knowledge that years hence they will be opened to the public as national monuments and you will be able to visit them yourselves.

1: Charlion Heston's house. Frank Lloyd

Wright is alive and well and has had a brainstorm at the top of Coldwater Can-yon. Or so you would think. This astonishing place, with its ranch-style dry-stonewall interiors and huge picture windows overlooking 800 acres of unspoilt Water

Conservation land, is a knockout, Rare owls, eagles and raccoons prowl the grounds and messuages — or so Mr Hes-ton tells me — and the house is built on a three-sided promontory high above all rival peaks.
2: Esther Williams's house and pool.

Yes, I have dipped my hand in the Hollywood Mermaid's swimming pool and have not washed it since. Airy and spacious, this charming abode overlooks the whole valley of LA. The pool is not large but Miss Williams still swims in it each day and was wearing an ensemble de piscine in dazzling orchid-white the day I visited.

3: Vincent Price's house. You wind up into the Hollywood hills at night, accompanied by flickering bats and the howl of wolves. But lot The king of horror's house is not a crenellated pile washed by the blood of virgins but an elegant pink-hued villa on a side street. Mr P's famous art collection, lergely modern surely around collection, largely modern, sprawls around the walls, and a flower-covered patio tinkies to the sound of water and wind-chimes: a delightful place for its owner to rest between vampiric labours.

The wonderful thing about visiting Hollywood is that, three days after arriving there, you have no special desire to see a star at all, for you feel like one yourself. The glittering lights by night, the palms, billboards and designer-hacienda houses by day. The place seems kissed by

Once visited, never forgotten, But do not, in an excess of Keatsian euphoria, ever climb that tempting "Hollywood" sign. You will note that I have withheld its address from you.

TRAVEL BOOKS

Iready hymned in America by Arthur Miller, John Gregory Dunn and Philip Roth, Amos Elon's Jeru-em: A City of Mirrors (Weldenfeld & Nicolson, £1495) is as good as they say it is: a many-layered mountain (as Miller puts it) of myth and history which serves as a symbol of our most sublime aspirations "along with our most disgusting. hatefully brainless excursions into reli-gious bigotry and fraticide."

In short, the book is as complex and surprising as the city itself. Elon, a surprising as the city itself. Sion, a remowned Israeli essayist, lecturer and critic, not only evokes Jerusalem in her physical form but grapples with her as symbol for all the peoples and cultures whose conflicting images of Jerusalem, past and present, make her a city of mir-

If there are two qualities I find admirable in a travel writer (apart from humour) they are earthiness and zestfulness; they guarantee so much else.

Which is why I enjoyed Brad Newsham's All The Right Places (Hodder & Stoughton, £14.95), an account of this eccentric through Japan, China and Enssia. Things happen to Newsham.

Anthologies of travel writing are two a penny, but Edward Leslie's Desperate Journeys, Abstradoned Souls (Marmillan; 116.35) is as good as they come: a stylish collection of marconings, ordeals and misadventures - the perfect volume with which to while away long hours at Heathrow or Gatwick.

Guy Yeoman has had more than 40 years' acquaintance with the Rwenzori Range in central Africa – higher than the Alps of Europe and source of the Nile of the ancient Greeks.

Hence the high quality of Africa's Mountains of the Moon (Hamish Hamilton, £25), in which his own stuming photon, £29), in which his own standing inno-tography is matched by Christabel King's fine botanical illustrations, Yeoman also includes his journey to the Virunga volca-noes further south in Rwanda and Zaire. Almost 100 years ago, Mary Henrietta

Kingsley's Travels in West Africa was an immediate success, and has become a classic. Now Caroline Alexander has retraced the Victorian explorer's footsteps through Gabon, staying at missions and meeting the ghosts of Trader Horn and Albert Schwietzer. The result: One Dry Season (Bloomsbury, £14.95).

In Sons of the Moon (Weidenfeld & Nicholson, £12.95), Henry Shukman goes in search of the few remaining Aymaras, survivors of South America's first great pre-Columbian empire, who can still be found, scattered in tiny communities; speaking their ancient language, on the sun-baked, wind-whipped Bolivian Alti-

And in Amazon (Hutchinson, £16.95), Dennison Berwick tells of his nine-month, 4,000 mile journey along the entire length of the great river, a feat achieved by few

Michael Thompson-Noel

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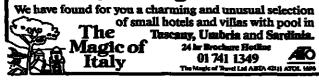
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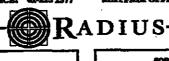
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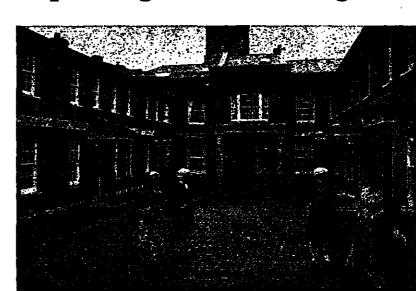
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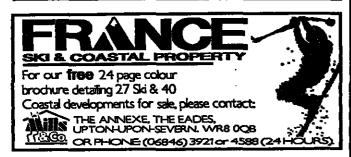
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PROPERTY



From cottages to chateaux: the second home boom

ECOND home buying across the Channel has become a booming market, and as many as 25,000 French properties will be sold to British buyers during

n de la composition de la composition

This is the estimate of Elisabeth Delmaldent, senior development manager in the busi-ness department of the London branch of the French bank Credit Agricole (CA), which is becoming increasingly nvolved in the market of British second-home buying across the Channel.

in which a buyer can finance such a purchase - arranging it through a French bank is one. Credit Agricole with 10,000 branches and 17m accounts in France, claims to be the largest

There are a number of ways

retail bank in Europe.

Delmaldent says about 25 per cent of Britons who bought in France in the last couple of years have had mortgages from this source.

The bank is happy to lend on a £25,000 cottage or a £1m cha-teau. Delmaldent makes no secret of the fact that the bank is out to win this sort of busi-

contract (accompanied by a certified English translation) She passes over a slim guide to purchasing a French Propcan be drafted and signed in erty mortgage, written in English, with water-colour the UK.

You would have to take out a repayment mortgage - they don't go in for the endowment type in France – with a first charge on the French property.

An estimated 25,000 French properties will be sold to British buyers this year. Audrey Powell looks at some of the perks and pitfalls

dure along with some advice on forms of agreement to

illustrations of French rural scenes. The guide aims to give

a basic understanding of

French house-purchase proce-

ness in the future.

avoid, for instance.

It is only meant to be an outline for applicants, "but if you asked an English bank about financing a French pur-chase, would you get anything as helpful? asks Delmaldent wickedly.

The guide describes the special loans service that Credit Agricole has developed to help British buyers. For this, the application form and documents are bilingual; the loan You would also be required to take out life assurance and building insurance, which would be assigned to the lender for the duration of the

The loan can be up to 80 per cent of the purchase price in French francs or 60 per cent in sterling, and is for a minimum of five years and a maximum

If you take out a loan in Fir, you have the choice of a fixed interest rate at 10.45 per cent for the term of the loan, or a

Jean Claude Killy, Local wonderboy and winner of the alpine events in the Grenoble Olympics, threatened to resign from the Olympic Committee unless more events were allocated to his native village Val d'Isère. His personal hype was so powerful that the other

variable interest rate of 9.75

per cent based on the Paris Interbank Lending Rate, guar-anteed to remain fixed for the

first 24 months. From year three it may rise or fall by a maximum of 1.25 per cent but will not fluctuate by more than

3 per cent during the entire

For sterling, the rate is cal-

culated at 2 per cent above base rate for Eurosterling, bor-

rowed on the Paris market

and is fixed on an annual

One other point. You are given a ten day-cooling off period, under French law, after

receiving your loan offer, and

you are not supposed to sign your contract before that time.

Credit Agricole's only branch in Britain is in London,

These are at 23 Sheen Road

Richmond, Surrey TW IBN (to 01-332-0130). Copies of the guide

visitors — are to be held in or around Val d'Isère and Tignes. Courchevel, one of the

a scale well set to ruin the

but it has recently taken addi-tional premises to handle the volume of new mortgage busiand morigage application packs are available from the Richmond address.

Hot skispots

ONE Of the hottest spots for buying foreign property is the French ski resurt of Vai d'Isère, the host for the 1992 Winter Olympics, along with neighbouring Tignes, Les Arcs, Courchevel, Méribel, La Plagne and Les Memuires, House prices went up 25 per cent after the choice was announced in

communes acquiesced. Now most of the major ski events — those that really draw the

larger and most sophisticated French resorts, has been pained off with the jumping and the staging of ice hockey practice matches.

However, the ambitions of Val d'Isère are still not estimated.

satisfied. There is building on entire concept. The 15,000 beds have been increased over the past two years to 23,000 with a further 2,000 planned, including a vast complex for the Club Mediterrance.

The agencies claim the flats are selling as soon as they are completed. Prices continue to rise and are now 50 to 75 per cent higher than four years ago. Besides the more stable agency offices, four or five wooden shacks have been set

so short they are digging up the nursery slopes to make underground car parks. In the desire for immediate returns. some contractors are pouring concrete in freezing temperatures, which hardly augurs well for longevity.

GLERNS

BANEL IS

Some of the sales are being some of the sales are being assisted through the extension of the high speed train service, the TCV. While it cannot go hill speed heyond Lyons, passengers can now reach the lowland station of Bourg St Maurice without changing, bringing it within 4½ hours, or "weekend time" of Paris.

With two years to go, and prices perhaps doubling, it may still be worth buying. Mortgages are easy to come by and they can be arranged through London branches of the French banks. They normally require down payment of 20 per cent and repayment is spread over 15 years. More especially it is the property, not your income which is required as security.

However, experience from the Grenoble Olympics suggests that directly after the games speculators will sell and property prices will fall quite sharply. Unlike Grenoble, however, Val d'Isère has an excellent and extensive ski lift system. It might be worthwhile to wait for a fall in prices. Assuming the Channel Tunnel opens in 1993. it could be just about a year before British appreciation.

of the area increases.

Harry Stone

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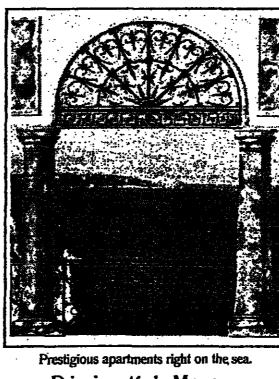
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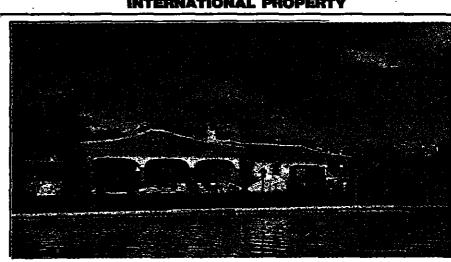
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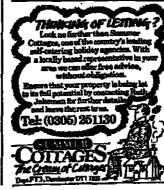
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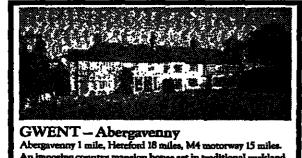
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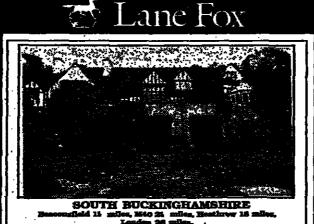
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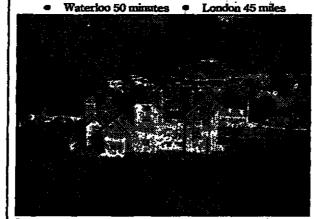


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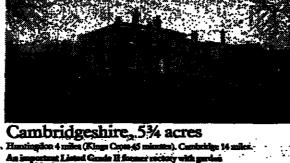
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PROPERTY

HEN Britons think of residen-tial property

which springs to mind.
With somewhat restrictive laws on foreign ownership of established property, and with Australia better known for its sporting and business exploits than its investment opportunities, the Sunburnt Country remains out of the mainstream residential property invest. residential property invest-ment conversation. But the attractions of this southern

attractions of this southern hemisphere version of California are many.

The climate and lifestyle continue to attract migrants (more come from the UK than anywhere) and the residential property market is a new-comer's dream.

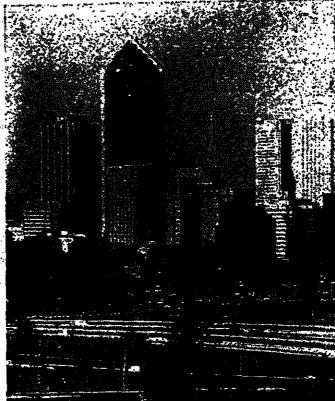
To understand the Australian residential property market, it is necessary to understand the Australian the Australian public expectation of accommodation

expectation of accommodation standards. The average mid-dle-class Australian family home is five to ten years old, single-level, four bedrooms, two bathrooms, with brick and tile construction, on one-fifth of an acre. In Australia's most expensive city, Sydney, such a home will fetch the equivalent of around £120,000 On the west coast in Perth, the same home will sell at around £75,000.

The upper end of the market is split into two areas - new architect-designed homes, and gracious Colonial Victorian era homes typically surrounded by wide verandas and traditional gardens. Prices in this market range from £200,000 to several million pounds.

At the other end of the spectrum is the rental market— and it is here where the real estate comes remarkably cheap. Even in Australia's two most expensive cities, Mel-bourne and Sydney, hrand new two-bedroom units sell from 555,000, and older units from 550,000. And those prices would have been unheard of five years ago before eastern Aus-tralian property prices boomed. But it is in the Western Aus-

tralian coastal capital city of Perth (population 1.2m) where the real bargains are to be had. Despite its glorious weather, its beautiful beaches, and its relaxed-yet-vibrant lifestyle, Perth's real estate is among the cheapest of any capital city in the western world. The lowcost factor is something which is taken for granted by people who live in Perth, which largely explains the high percentage of the city's rental property which is owned by out-of-towners.



Living's easy down under

Australia's property market is a buyers' dream, says Hazel Willis

Clean and modern (ten years old or less) one-bedroom flats and units can be found around the £22,000 mark, and more substantial three-bedroom units sell from around £40,000. Top-of-the-market penthouses boasting sweeping views of the beautiful Perth city skyline, the internationally-envied Swan River and the vast Indian Ocean can be snapped up from around £150,000. Gazumping is unheard of in Perth, where standard offer-and-acceptance forms, once signed by buyer and seller, are legally binding. Gazumping does occur in Sydney and Melbourne which operate under different State laws.

Perth's occupancy rate varies from around 95 per cent

mid-year to 99 per cent or more during the peak demand period of December to February. The high occupancy rate results from Perth's steady population growth, a factor which is put down to four separate market forces. Firstly, Perth has a strong economy and a healthy natural population growth. Secondly, it has a lot of internal migration from Australia's east coast to the West. This migration has become much stronger in the past five years, largely because of the enormaliance. mous difference in property prices between east and west. People living in the eastern States are finding they can sell their modest home in Sydney in Melbourne, move to Perth.

buy a much more comfortable

home, and still pocket thousands of pounds in profit.

Thirdly, Perth has ongoing international migration from people attracted by the city's lifestyle, its climate, its economic and political stability, and its many business opportunities. And finally, Western Australia has a foreign student industry which attracts thousands of short-team renters to Perth every year.

Perth every year.

Long-term capital appreciation has proved to be a steady tion has proved to be a steady
12 per cent per annum, with
some impressive short-term
growth in boom years. The
year of 1974 saw the median
price of Perth residential property jump 43 per cent, while in
1988 the median soared by
more than 50 per cent. The
median price rose annually, by
between one and 25 per cent, in between one and 25 per cent, in all the years between. The low entry cost to Austra-

lian property and the solid capital appreciation help explain the Australian Government's strict rules on foreign owner-alty of residential property. The fear is that, if it was exposed to world markets, Australia's low-cost accommodatrain's liw-tost accommon would disappear forever and possibly put property prices out of reach of the people who live here.

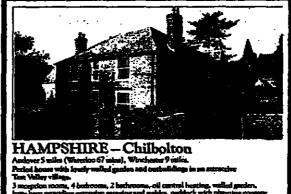
ple who live here.

But there are several ways in which Britons can enter the Australian residential market. If you have Australian citizenship; or are entitled to permanent residence in Australia, you will generally have little trouble buying real estate. Britons who do not meet either of these criteria can still buy vacant residential land, as well as home units, townhouses and as home units, townhouses and so on which are under con-struction. British companies can buy residential property for their senior executives liv-ing in Australia, and visitors staying in Australia for more than 12 months can own prop-erty during their stay. The foreign investment rules

are standard across the country, although they differ from the rules covering non-residential property and other forms of foreign investment. The foreign investment rules are broadly supported by the Australian community, and are unlikely to change in the near future. But for those who meet the Government criteria, Australia remains an investment land of opportunity.

For details of real estate investment opportunities in Australia, the Sales Director of Blackburne & Co Real Estate, Bob Johnston, can be contacted at Post Office Box 538, West Perth, Western Australia, 6005. Tel: 09-322-6188.

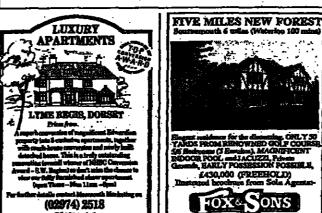
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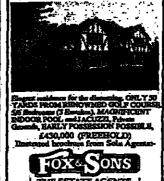


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VINELAND by Thomas Pynchon Secker and Warburg £14.95, 385 pages

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DO THEIR

IFE IS a lart. Pynchon is such a crazy smartasa he should have called his new book "Levity's Rambow." Who else would cite a Sixties band called Billy Bart and the Vomitunes? Only the man who writes "it wasn't just that his folks were vegetarians, they also discriminated among vegetables . . . "We are talking here of the land of the Bodhi Dharma Pizza the land of the Bodhi Dharma Pizza Temple, whose options were all vegetables rigorously organic, on "a stone ground iwelve grain crust with the lightness and digestibility of a manhole cover," not to mention the lawn-care company owned by the Marquis de Sod, whose slogan, sung to the Marseilleise, begins A lawn savant, who'll lop a tree-es-uh. and we are not yet through with page 47.

with page 47.

Plough on plough on and you are
well rewarded, for example with torture by Californian black and hispanic by Californian black and hispanic sort of nuns, the Sisterhood of Knnoicht Attentives, or Ninjettes, who will not stop at "The Ordeal of the Thousand Brosdway Show Tunes," which nearly does the trick, or even "The Andrew-Lloyd Webber Chamber of -", which the victim can hardly believe possible; or, a hig reward, the moment when everyone is awoken at the same hour by "J. S. Bach's "Wachet Auf." co-ordinated by a previously planted consistement of previously planted consignment of sound chips in wristwatches, timers and personal computers, from the Japanese trading company of Tokkata & Fuji. It is time to go to the shopping mall, to buy perfume in the Mail Tease Flacon, and have something at the deli. The Lady 'n' the Lox, Warning if you telephone Tokyo, don't use Cheapeat, whose economy satellite is not geosyn-chronous but drifts continually back-wards through the heavens, cutting you

Other Fiction

Drawn

into

family

are about them. Sort Of Rick is the

well crafted in spite of a large cast you never lose sight of a character or confuse relationships. When Gretchen from Manhattan marries

Frank from Louisians she finds life-lonely and puzzling in the big. Indeously furnished house full of

assorted "helps" who allow their

employers no privacy. Treading on many toes, including Frank's, she

clings passionstely to the belief that she has found true love. Inconsequential things (mainly to do with Leo, the odd-job man) add up in an almost sinister way, and with

questions and characters so numerous

quirky and subtry introduced it seems unlikely they will ever make sense, or that seeming chaos will create a pattern. Yet, near misses and near murders notwithstanding, and a death and some heartbreak, they do.

The subterranean wit of style and

frony of eye both temper, and ginger up, the domesticity — a world of lawn mowers, water filters, fish tanks, cholesterol-filled German cooking and much else. At once very light and very serious, it draws one totally into its

world and makes one see the way-outness and absurd charm of

The Other Side by the generally admirable Many Gordon turns out to be a thicket of a tale, the untrimmed family saga of the MacNamaras over four generations. Making good in

America, the working class Irish are changing from huge cottage tribes to prosperous professionals.

Descendants gainer at a death bed, the story of each one branching out.

James Wilcox's Tula Springs,

But what am I on about? Pynchonians can skip this paragraph. Everyone else has to go back 17 years, to Gravity's Rainbow, the author's last published novel, which was so hard to read that my guess is few finished it and those who did called it American literature's equivalent of James Joyce's Ulasses. Since then scores of books and articles on the real Pynchon have piled up in the universities, not to mention the frequent rewrite of the article about how no one has seen him all this time and no one knows who he really is and how he believes his work speaks for itself so does not give interviews. So old Pynchomians have been expecting Fin-negan's Wake; newcomers will be

reached for the Tube, popped it on, fas-tened himself to the screen and began to feed." A TV set is quoted as co-respondent in a divorce case; children survive by regarding their parents as participants in a sitcom, into which they can step if they choose. The TV cop shows immunise people against constitutional breaches by the real police. Potential good guys sell out to the Tube, with the result that the 1960's Revolution, the whole alternative America, is "el deado meato." You get the picture. It gets you.

There is, thank heavens, a plot, all

about how Frenesi Gates, a daughter of true Hollywood socialist radicals, betrays a 1960s commune (The People's Republic of Rock and Roll) after being turned by a charming, dead sexy,

Joe Rogaly finds himself in the company of a charming, dead sexy, deadly, federal prosecutor Brock Vond and a super ninjette — a sort-of nun hired to kill with the Vibrating Palm

relieved to know that what we have is closer to Dubliners. A great many of the larks will be of sheer relief. Rilly. The first clue as to a probably intended mesning of Vineland, if there is one, comes in the first sentence, where you are told that it is 1984. Pynchon is a promiscuous time-traveller, sometimes even in mid-paragraph, but he must have thought that his faded hippies' version of "Amerika" under Nixon and Reagan is the true 1984, not Orwell's. You have here, in place of Big Brother and the two-way TV, the Tube,

Tubefreeks, Tubeheads, Tubal fantasies therapy for the Tubed-out in a Tubalde

tox center, where you have to sing the

house hymn, Oh... the ... Tubel |
It's poisoning your brain! and so on ending ... now Th'|Tube|It's plugged right in, to you! A character avoids an embarrassing moment thus: "he

SORT OF RICH

by James Wilcox

Secker & Warburg £14.95, 278 pages

THE OTHER SIDE

by Mary Gordon

Bloomsbury £13.99, 335 pages

MALACHY AND HIS FAMILY

Hanish Hamilton £12.99, 190 pages

by James Hamilton-Paterson

Hutckinson £11.95, 180 pages

she is, there are good moments; but the novel is disappointingly formless, too long and too unvaried in tone. It

though, into the nature of Irlamess, native or transplanted. "Unhappiness

was bred into the bone, a message in the blood, a code of weakness," old Vincent MacNamara broods when he

visits the Old Country, where pigs and chickens and even children are now displaced by bed-and-breakfast tourists. "The sickle call anaemia of

the Irish: they had to thwart joy in

their lives. You saw it everywhere in Irish history: they wouldn't allow themselves to prosper."

More interchanges between old world and new: in Malachy and His Family, an American crosses the Atlantic to

meet his father, an Irish labourer who has made good. Its structure is oddly complicated, therefore confusing and

psychologically illogical; there are two Malachys, half brothers, one of whom finds end enlarges the other's

diary, so that the narrative has no

realism is meant to be is therefore

hard to tell. This is a pity because the

writing is agreeable and a suggestive subtext nudges the action along a little faster, a little more interestingly, than

it seems to warrant. An easy but not a satisfying read. The Bell Boy, set in some Far Restern

county, has the Hemony family -hippy mother and two beautiful blond

children — turning up to consult a local guru. Laki, the hotel's factorum, becomes a sort of mascot to the family,

giving each member what is wanted and hoping rather hopelessly to be taken home with them. When they

move on, abruptly and hurtfully, leaving far too large a present, the police seize the loot and beat Laki up.

That cultural overlaps and international understanding are

impossible seems the bleak m

Secrets act has (curiously) not yet reached the statute book. The first part of the book deals with the ethics of the

Intelligence profession. It has

much to say on the Official

Secrets act, the Philby and

Peter Wright cases and other

relevant matters. There are

centre; how realistic the seeming

e fine, if frightening insights,

by Carlo Gébler

THE BELL BOY

deadly, federal prosecutor, Brock Vond, and how a super ninjette, DL, is hired to kill Vond with the Vibrating Palm you don't feel the touch but you drop dead a year later — but she VP's the wrong man in a Japanese brothel, story of ordinary tubefolk.
One of Frenesi's husbands is Zoyd

Wheeler, their daughter, Prairie, is parted from Mom when she is two and it takes all of *Vineland* to get them free of Vond's clutches and back together again. This mythical place is in northern north California, among the Red-woods, but you get to go to San Fran-cisco and LA and meet east-coast refugees for whom California's only reality "was to be found in the million ways it failed to be New York." You will understand it best if you know the pop mythology of the past three

decades, your Star Wars, Star Trek, Return of the Jedi, your Bionic Woman and your Incredible Hulk, your R. Crumb Comix, and why it's funny to talk of "Count Drugula" and "Woody Allen in 'Young Kissinger".

If you need footnotes, which there aren't, there is still hope if you can think back to the free-loving don't-Bogie-the-joint 1960s whose ambrosial spoonfuls many of us will never regret relishing. But they sweetened a tiny hard centre of real leftists, self-imag-ined Revolutionaries, who betrayed one another and who have been obliterated during the last two decades. You could see it coming even if you were not on the Coast but, say, in Chicago, 1968 Democratic Convention, where the Tube showed the young being knobker-ried by the police and most of America applauded.

"Brock Vond's genius was to have seen in the activities of the sixtles left not threats to order but unacknowhot threats to order but unacknowledged desires for it," writes Pynchon in
one of his many straight passages, some
of which strike hard but some of which
approach Pseud's Corner without actually turning it. "While the Tube was
proclaiming youth revolution against
parents of all kinds . . . Brock saw the
deep . . . need to stay children forever,
age inside some avtended vertical safe inside some extended national

You have to work a bit, but you get a porary life, but a pizza it. You also get some soaring passages and in the Than-atolds, dying yet supposing they are alive, pure Swift. I do not know if there is more of value here than a simple cornucopia of wondrous and witty invention. A friend, now someone big in the City, vowed to read all the fiction classics after leaving University. He has done so, but is still wary of conten rary novels. "It is too soon to see whether the one you have just read is or is not twaddle," says he. Precisely. But take a chance and pick up Vineland; the larfs alone are worth it.

West Point goes East

consciousness shows little sign of slackening. Fifteen years after the last helicopter lifted off from the US embassy in Seigon, historians, writers, movie-directors and the Vietnam vets themselves

ing the cheap pathos of Oliver Stone (the creator of *Platoon*) and the empty bravado of the Rambo-brigade, the the vantage point of West Point, the elite US Army academy which counts Caster, Grand, Patton, MacArthur and

and 1970s, it suffered not only the shock of defeat, but also a national cheating scandal and the entry of women cadets. With this broader historical canvas in mind, the author, a Pulitzer Prize win-ning reporter on the Washington Post,

an American journey.

The story begins at West Point in 1962, shortly after General MacArthur, then 82, delivered his famous valedicthen 82, delivered his famous valedic-tory which set out the cadets' "fixed and inviolable mission" to win wars. "The long gray line has never failed us," the General continued. "Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses would rise from their wints trusters thundering those magic words; duty, honour, country." Macarthur's bust — and his 1962 speech — still greet the visitor at the Pentagon's Mall Entrance. But, the author argues, the speech marked the high-water mark of American confidence. It failed because it gave little hint of a future where the meaning of words like "mission," "objective" and "winning" were to become so confused as to become incomprehensible to the men fighting in the paddy fields. Two-thirds of the class of 1966, we learn, were sons of military fathers. They came as close to a warrior caste as can be imaginable in the US. Two-thirds were Protestants; only one per cent were Jewish. "The new cadets smoked less, prayed more, cribbed less, napped more and most wore butch-hair-

the interlocking lives of three cla

whose life ambition is to become a four-star general but who seems unable to avoid conflict, even with his closest class-mates in a final showdown over the building of the Vietnam War memorial in Washington DC. Jack Wheeler is the intelligent, somewhat starry-eyed young man who breaks with a long line of soldiers to join first a seminary, then Mothers against Drunk Driving and the Securities and Exchange Commission. George Crocker is the success story, a strong man who survived Vietnam and went on to lead troops in the Grenada invasion and, latterly, the 82nd Air-

Some historians have considered the classes of 1966 to 1967 the finest ever assembled by the US. Yet, as Mr Atkinson notes, the collapse occurred with remarkable sneed. Desertion and AWOL rates soared, as did heroin addiction. To shore up morale, the military began to hand out medals at such a rate that in 1970 alone more than half a million decorations were awarded, twice the number of US personnel remaining inside the US

THE LONG GRAY LINE: THE AMERICAN JOURNEY OF THE WEST POINT CLASS OF '66

by Rick Atkinson Collins £15, 592 pages

itself. For the class of 1966, "the chance of being killed in Vietnam was about one in 20; the chance of being wounded

about one in six." Throughout, Mr Atkinson handles his theme and his characters with a rare combination of sympathy and detachment, Like all true reporters, he is sparing in moral judgement, letting an eventful narrative speak for itself. He is an elegant and elequent writer. The battle scenes — particularly depicting the slanghter at Hill 875 are as good as you will read anywhere; and there is a memorable portrait of Col Charlie Beckwith, the hard-charging commander of Ranger camp in Florida who went on to lead the unsuccessful effort to rescue American hostages in

Let the reader be warned; this is a very American book aimed, I suspect, largely at the big (and shortly to grow even bigger) market of retired and serving US armed forces. Though mercifully short of military jargon, it will nevertheless make demands on the foreign reader unfamiliar with Army mores and slang. The conclusion must be that, for all the hurt and the pain, West Point needed a shake-up. It was becoming dangerously like Dotheboys

Lionel Barber

continue to ponder the experience of

This book is a good deal more suc-cessful than most because it offers a fresh perspective on the war. Discardauthor chooses to view Vietnam from

Eisenhower among its graduates.

The choice is felicitous because West large. West Point suffered the same upheaval and loss of direction that afflicted the country in the late 1960s is fully justified in describing the experience of West Point's class of 1966 as

cuts or flat-tops . . . Finally, they were largely ignorant of many things, including women, failure and evil."

The loss of American innocence is, again, an age old theme, but the author stecceds in bringing it to life through

but the story is always lively, often funny and touching. A novella rather than a novel, it is full of promise. Isabel Quigly mates. Tom Carbert is the daredevil

we know they are untrue. They survive the most far-reaching changes in taste, social attitudes, political outlook, transstructures with fresh emphases but tied still to the original meagre body of evidence. Such is the myth of Cleopatra, the woman of royal birth who is the epitome of feminine beauty and erotic power, the enslaver of Marc Antony. The Cleopatra myth took off and acquired a vigorous life almost at the same time as the historical events on which it is based nd, as this book points out, with which it was from the start at variance. Few myths have inspired so

many poems, plays, novels, portraits, sculptures, ballets, operas. From early historians like Tacitus and Josephus to Piutarch, and then to Boccaccio, Chaucer, Shakespeare, Dryden, Jodelle, Corneille and to Bernard Shaw, and the Hollywood spectaculars in which the Queen of Egypt has been impersonated by Theda Bara, Claudette Colbert, Vivien Leigh and Elizabeth Taylor, the versions must be numbered not in hundreds but in thourich crop in the 19th century when she became identified with the cult of the Orient, including versions by Pushkin, Gautier, Swinburne, Victor Hugo, Rider Haggard, and pic-torial representations by Ger-ome, Moreau and Alma-Tad-ema. From high art to popular control from eric to verside.

ema. From high art to popular culture, from epic to vaude-ville, every available madium has come under her spell.

It was an ambitious, fascinating plan of Lucy Hughes-Hallett's to gather in all this material and to take a long hard look at it. But she is hard look at it. But she is quick to disclaim any suggestion that this is a definitive account. There are as many Cleopatras as there are interpreters; your Cleopatra is as good as mine or Hughes-Hal-lett's. Having said that, there are a number of points to be made and she makes them

cogently, and at great length.

The first, which has been made before by scholars, is that Cleopatra was not an Egyptian, she was a Greek; nor was she a swooning indolent luxury-loving individual indifferent to everything except sex, but an able administrator and a good linguist; nor, to judge from one portrait on a contem-porary coin, was she especially beautiful (That did come as a shock.) The celebrated observation by Pascal that history would have been completely different had Cleopatra's nose been shorter seems to have been plumb wrong. A nose job might have considerably improved the appearance of

the real woman.
But these historical correctives, interesting as they are, cious child (Shaw gave the represent only the preamble to story this twist), allen, killer

. .



Age cannot wither her

Anthony Curtis unravels the Cleopatra myth

CLEOPATRA: HISTORIES, DREAMS AND PERCEPTIONS by Lucy Hughes-Hallett Bloomsbury £16.95,338 pages

the main investigation. This is a sustained exercise in deconstruction: the tapestry of the myth, with all its complex cross-weavings over the centuries, is examined through a penetrating 20th century X-ray which shows up the sub-text, the subconscious desires of the interpreters. And rather nasty many of the obsessions that have lumbered poor Cleopatra turn out to be.

As almost all of the innumerable versions have been by men, we have at the end of the day a horrible catalogue of male fantasies centred upon the stereotype of the seductive and destructive female. Hughes-Ballet examines the significance of the different faces of Cleopatra in strict rotation, as mother, martyr, femme fatale, suicide, preco-

and, in our own time, big spender, embodiment of con-

spicuous consumption.

An English novelist of the inter-war period who is now forgotten, Mary Butts, published Scenes From the Life of Cleopatra in 1935, and long before that Charlotte Bronte made Lucy Snow in Villette stare at a portrait of Cleopatra and declare: "She has no business to lounge away the noon on a sofa . . . But Bronte and Butts are among the handful of women who — until Hughes-Hallett came along — have looked at all critically at the myth. Women for the most part have enjoyed participating in it as much as men. Actresses from Rachel and Bernhardt to Vanessa Redgrave and Dame Judi Dench have found. here a splendid role. In 1951 Lady Diana Cooper went to a grand costume-ball as Tiepolo's Cleopatra and subsequently used the photograph that Beaton took of her there on her

At the height of the Decadent movement Moreau tra now in the Louvre, one of the many illustrations that adorn this book. The Comtesse Greffuhle wrote to him to say she never tired of looking at it, "the marvellous Cleopatra" — and marvellous it is. But **Hughes-Hallett only mentions** it in passing. The underlying problem in a book of this kind, as the author acknowledges, is that the artistic importance of the works used as evidence tends to be ignored. They are all decoded on equal terms. Shakespeare's Antony and

More books on page XX

Cleopaira is of course included along with everything else but is treated merely in terms of the subversive nature of sexual passion, leaving so much more

Even so this book must be recommended for its immensely wide sweep of examples and the highly intelligent manner in which they are codified and discussed. And Hughes-Hallett does not forget to consider such popular mani-

festations as Carry on Cleo. Vivien Leigh plays Shew's Cleopatra: a precoclous child News from Ndinji

DR JULIUS K. Nyerere, the rules of Africa: the least congeerstwhile president of Tanza-nia who remains chairman of his country's ruling (and only) party, is a remarkable man. He presided over the disastrus implementation of his blueprint for African socialism, with little or no damage to his reputation abroad. To this day Mwalimn ("teacher") pops up on various international committees which seek to put the world to rights. But Mwalimu now has a rival for this role: Dr Cicero B. Nyayaya, the president of the East African state of Ngombia, and known by his people as Filosofa, which is of course the Ngijwi word for Phi-

Thursday Msigwa spent a year in Ngombia. On arrival at the seedy harbour city of Ndinti, he received the tradi-tional welcome. "Where are my presents," asked the customs officer, practising his trade under the ubiquitous portrait of a smiling, gap-toothed Brother-President of Ngombia, leader of the Party of the Mutualist Revolution. And Ndinji's Milikinjaro Hotel illustrated one of the travellers'

nial cities boast the most expensive hotels.

But Maigwa is not one of those professional travellers

who compile books out of Africa's four D's - debt, drought, disease and disaster. He is a British accountant and Filosofa's Republic is his entertaining report on his year working as the financial controller of a plantation com-

FILOSOFA'S REPUBLIC by Thursday Msigwa Pickwick Books (Box 925, London W2 LFA) £5.95, 123 pages

pany. It tells us as much about the realities of the continent, whose people have been singularly ill-served by post-independence leaders, as any of the 4-D accounts. He encounters a mad missionary, corrupt party offi-cials, light-fingered servants and a greedy bishop, and discovers that a belief in spirits, benign and malign, is a power-

ful force in Ngombia. Unfortunately Msigwa did not meet Nyayaya, whose Har-isha Declaration inspired a generation of Scandinavian aidworkers. Nonetheless, we learn much about the man. Like Mwalimu, Filosofa has com-bined probity in his personal life with well-meaning but inept economic policies. Like Mwalimu, he is eloquent and moving in his concern for the poor, but the reality issuing

from this compassion is flawed. Nyayaya's credo – We should rather be poor but Mutualist than rich but immoral" — reaches beyond Ngombia. Kenneth Kaunda's teachings on "Humanism" owe much to Filosofa's doctrine of "Human Mutualism," while Robert Mugabe may also be under the spell of Filosofa. Human Mutualists call each other "brother". The correct form of address in Tanzania is Ndugu (also "brother") while Zambians and Zimbabweans prefer to call each other "comrade." But this alight terminological difference should not conceal the intellectual link between Messrs Nyerere, Kaunda, Mugabe and Filosofa

Cicero B. Nyayaya. Michael Holman

divorces, regroupings, misunderstandings, linesses; social change, some specifically American, some Irish, Catholic; political; little joy or contentment, much skulduggery, hatred and revenge.

Mary Gordon being the observer PEW BRITISH political leaders have had much scientific training; the present Prime Minister is a rare exception. By the same token many scientists have lived in a world of their pain and tend in a world of their pain and tend in a larger and public dygook which Mulsters and officials field hard to follow. As a pegult the scientists who have influenced national policy have infinenced national policy have tended at be those who could express themselves in worsdry terms—comparing the baderiory of a misalle to that of a golf hall, for instance, or the interception of an all-craft to shooting down a pheas-

The "Prof" - Lord Cherwell and Professor R.V. Jones of Aberdeen, Director of Scientific Intelligence at the Defence Ministry after the War, knew how to do just that. This gave them the ear of the good and the great while other advisers never broke through the sound barrier. Both might well have

Science spiced with secrets been charlatans; luckily for separate from claudestine Britain they were both men of the highest principle as well as highly original in their diagno-

Operations. Intelligence in World War II and since has

depended increasingly on science; on the breaking of enemy sees and prescriptions.

There is much scientific information in this book, but the lay reader need not be codes, the interception of enemy signals and the scien-REFLECTIONS ON daunted. It is all made easy to follow and spiced with enter-trining ansolotes. For students of "intelligence" this book is a

INTELLIGENCE by R V Jones Heinemann £19.50,376 pates must. That Heinemann's have dared to publish at all can only be because the new Official

tific interpretation of random ches to the secret weapons the other side might be developing. Nevertheless, as R.V. Jones freely admits, there is still scope for the Mata Harls and the cloak and dagger men. Two intelligence coups played a decisive part in our victory in the Second World interesting reflections on how War. Thanks to Polish cryptog-far intelligence should be kept raphers and a French security

agent we succeeded early in the War in cracking the Ger-man codes. From then on we knew exactly what Hitler and his warlords were discussing with each other, their generals in the field, and their scientists. Meanwhile our men in MIS had rounded up virtually all the German spies in Britain and turned them round to feed false information to their German masters.

The book will be of special interest to readers of R.V. Jones' bestseller The Most Secret War. It reveals much that could not be told when that book was first published. Finally there is a highly enter-taining story about the "Oslo file." This was a forecast sent anonymously to our naval attaché in Norway in 1939 outlining the principal scientific initiatives which the Germans

were taking in the defence field. For a time we suspected that it was a hoax. But its gen-uine character was established by events. It included forecasts of many secret German weapons including the Vis and V2s. R.V. Jones was always con-cerned to find out who was the author and why he had written it. His account of the answer is a detective story containing elements of farce and improbable chies that Agatha Christie would have found hard to match. The heroes proved to be a German scientific engineer and an extrovert British busi-

Jones wanted to secure some recognition for both; but the German scientist had become too important and the British businessman's case went by default. Jones himself has never received proper recogni-tion, but then he is too big a man to care about that.

Julian Amery

Creative people: some biographies and a memoir

An artist who did her own thing

GEORGIA O'KEEFFE: A LIFE by Roxana Robinson Bloomsbury £25, 639 pages

BY THE time of her death in 1986 at the age of 98, Georgia O'Keeffe was a legendary figure. A major retrospective in 1970 aroused the interest of a new generation in the life and work of this idiosyncratic but quintessentially American artist. Her supquintessentially American artist. Her support for the suffrage movement, her independence, her financial success and the female sensibility expressed in her work made her an object of homage for the feminist movement. She could not see the point of such adulation, and refused an audience to Gloria Steinem, who turned up on her doorstep in the New Mexican desert with a bunch of roses. A stream of hippies, who admired her simple, organic life-style who admired her simple, organic life-style and the accessibility of her still life and landscape paintings, were also discouraged. O'Keeffe had always "done her own thing," and was supremely indifferent when this made her fashionable – for the second time around.

O'Keeffe first became noticed in the early 1920s in New York, as one of a group of modern American artists promoted by the photographer, Alfred Stieglitz. She was born in 1887 of Irish and Hungarian ances-try on a Wisconsin farm, the second of seven children. While Georgia was study-ing at the Chicago Art Institute, the family moved south to Williamsburg, hoping the milder climate would benefit their health. The move was a disaster. A good and prosperous farmer, her father falled as a businessman, and her mother died of

tuberculosis after a long illness.

Georgia's studies were interrupted by the decline in the family's fortune, but ventually, with the help of scholarships

IS ALLEN Ginsberg, poet and political activist, to be revered

as the champion of the 1960s American counterculture and the father of a new school of writing, or was he, as one early reviewer suggested of his fel-low Beatnik, Jack Kerouac,

simply the rabble rouser for a

troop of "young men who can't think straight and so hate any-

It is almost 40 years since the first reading of *Howl* cast a spell over the discontented flock of the American left and

a cloud over Ginsberg's literary contemporaries. Beside him, how tame and stuffy

establishment figures like Lio-

nel Trilling, the "scholars of war" and the "fairies of adver-

tising" looked. No wonder that

Cinsberg, Kerouac, Gregory Corso and William Burroughs - the original "Beat" quartet - stirred up the hipsters in the

optimistic offer of the bop apocalypse, the jazzy rhythms

of downtown street talk hold-

ing promise as weapons to hurl

against "the harsh wall of

As one who fell under the

"One sees what one sees best oneself" said Jung, which

explains why this biography of the author and journalist Alan

Moorehead is curiously dispro-portioned. Tom Pocock was a

war correspondent as a very young man; he dwells at length

on Moorehead's career as

Expressman in the war years and gives only a brisk couple of chapters to the longer period

in his second career - author

of Gallipoli, No Room in the

Ark, The White Nile, The Blue Nile, The Fatal Impact, and so

on. This seems to me a mis-

take: Moorehead was evidently

one of the best war correspon-dents of all time, but his books

will be remembered, and reprinted, long after the

Express is gone.
With that proviso, this hiography is well done. Pocock has

cooperation of the family, the late Lucy Moorehead's lifelong letters from her husband and Moorehead's own journals as

THE LIFE of Brian Inglis has

become less interesting as it has gone on. He was born with

one who can"?

teaching degree and, coincidentally, good New York connections. While working in remote Texan colleges, she discovered her love of the wide-open landscape of the American West. She worked relentlessly, both at teaching and at her own work, the

both at teaching and at her own work, the latter taking precedence over temptations such as dancing and boy-friends.

One set of "specials" (as she called the rare works that pleased her), sent to a girl-friend in New York, ended up in the hands of Alfred Stieglitz. He put them on show at his small but prestigious gallery in 1916 without her knowledge, thus launching both her career as an artist; and a close personal relationship, which led to a difficult but lasting and loving marriage. Even a staunch feminist like Rozana Robinson can find little fault with Stieglitz Even a staunch feminist like Rotana Robinson can find little fault with Stieglitz professionally. He was the ideal promoter and agent for O'Keeffe's unusual and adventurous work, and had the highest respect for her ability. She also became his favourite model, and his photographic portraits of O'Keeffe, both nude and clothed, added to her fame. She had a strong presence and a striking appearance black hair pulled back severely from an unmade-up face, perfect posture accentuated by simple black outfits chosen for ease of movement rather than fashion. Later in life, she looked like a highly

distinguished squaw.
In 1927 a painting by O'Keeffe of a series of lilies achieved the highest-ever price for a living American artist — \$27,000. Such was her industry, and the care taken in managing and promoting her work, that her estate was worth over \$50m. It will take until the year 2004 to complete its distribution to charitable institutions.

This is O'Keeffe's first "authorised" biography, undertaken with her family's co-operation and drawing on forces



Georgia O'Keefe: single-minded

unavailable during the artist's lifetime unavailable during the artist's lifetime, mainly the thousands of letters to and from Stieghtz. After a slow and stilted start, which makes one fear a dogmatically feminist approach, Robinson proves to be an illuminating and fair-minded guide to the American art scene in the early and mid-20th century. She writes especially well about O'Keeffe's work, explaining how she moved from an early diritation with abstract forms to the early fliritation with abstract forms to the highly charged close-ups of flowers, plants, fruit and leaves that established her reputation, and the sensuous landscapes, empty but for bleached bones or isolated stones, that extended it.

Above all, Robinson makes one aware of the amount of hard work, self-sacrifice and single-minded determination which went into O'Keeffe's long career. Once again, it is proven that hard work and dedication are the factors which distinguish the major artist from the minor.

Alannah Hopkin

Poet, madman, bum and angel

on the road, raw-nerved, gathering kicks as he rushes back and forth across the country and later, when he is famous, around the world - in pursuit of a revolutionary guru here, a new hallucinogen there.

Was the real journey inward? Miles is excellent on Ginsberg's early years, rightly tracing a fascinated affection for "madman burn and angel" to his proof to institute his bern to his need to justify his love for his mother, Naomi, a Russian emigre turned communist who spent most of Allen's youth in and out of psychiatric hospitals. Eventually his long-suffering father Louis, the town, divorced her and responsibility for her fate fell on Allen, who authorised her lobotomy and wrote his best poem, Kaddish, the Jewish prayer of mourning, after she

"is he a poet by nature or nurture? Both I think" Louis spell, Barry Miles, author of a new biography of Ginsberg, reflected many years later. By the time Allen reached Colomcan hardly be expected to give an objective assessment of the poet. His slavishly detailed and bia, he was drawn to an inner circle of earnest poets-to-be, warmly respectful account homosexuals, mostly, like him-self. They were led by Bur-roughs and fleshed out by the veers towards cultural history rather than literary criticism; here is Ginsberg in his milieu,

junkles and petty thieves whose lives Burroughs was

studying. In anecdotal mood, Miles is a delight, and it is not his fault if half way through this book his stories begin to pall. The trou-ble is that neither Ginsberg's life nor his poems have devel-oped beyond what was achieved in his thirties, and while one account of his stripping in public — say, the occa-

ALLAN GINSBERG: A BIOGRAPHY by Barry Miles Viking £20, 588 pages

sion of a party with the Beatles, who left in disgust muttering "You don't do that in front of the birds" - provokes a smile, it is hard not to start skim-reading after a while, fruitlessly hoping for something to break up the sameness of the drugs-orgy-

write-a-poem syndrome.

But what is really interesting about Ginsberg, and what Miles sadly fails to address, is his caution, his very sanity. This has not only meant that

and lovers like Kerouac and Cassady drank and drugged themselves to death; it has also given his best writing an artful edge theirs never had. "Never rewrite" was Kerouac's motto, but Ginsberg managed to com-hine the truthfulness and immediacy that has made his work so popular, with an elo-quence that has clearly been

His liquid flow of emotion, his merging of public and pri-vate lives on the page, makes for fine performances — and Ginsberg has if nothing else restored poetry to its place as a spoken form, cajoling, scream ing, sobbing as he reads with all the fervour of a wandering minstrel. But it does little for anyone coming back for a sec-ond helping. There simply is no hidden meaning beneath the surface, nothing hard-won about this upfront assault on doation.

As far as the biography is concerned, a life of so very autobiographical an artist should be valuable but is curiously redundant. It is as if there is nothing more to Ginshere then his poems let on, and nothing more to his poems than a painfully honest account of a moderately pain-

the £1m mark.

The work of Jack Yests ha

always been popular and although he was fairly produc-tive, his prices have always held up; but it is only very

recently that they have regularly been in six figures. Brian

Coyle, of Adam's believes that

a Yeats could fetch £1m before

the century is over: "There

could be a million in him," he

The market for other Irish

painters has been interesting

to observe. In the 1960s, the 19th century landscape paint-

ers, James Arthur O'Connor

and William Sadler, were names that people talked

about. Now, no one is much

impressed and their prices are very modest: about £15,000-

£20,000 for a good O'Connor,

much less for a Sadler. By contrast, artists who a

few years ago were hardly regarded as artists at all mainly because they were still

alive and in Ireland one has to be dead to be respected - all

fetch hefty prices today. In this

group one would include James Humbert Craig, William

Leech, Letitia Hamilton, Mau-rice Wilks, Mary Swanzy,

James Le Jeune, George Camp-bell, Maurice MacGonigal and Frank McKelvey. The work of

any of these painters can be expected to fetch anything

between £10,000 and £50,000,

but it is McKelvey's prices

been so astonishing. His pictures are pleasant

enough and generally depict a person or two, some sun and a little rain: McKelvey only worked when the weather was "soft." The Irish farmyard was to this artist what the Connection of the conn

mara cottage was to Paul Henry: a source of endless fas-cination. He died in 1974. Sud-denly, in March last year, one

of his canvases sold at Adam's for £35,200. Two months later

Christie's sold a pretty river scene for \$25,400 and in the same sale some chickens went for \$24,200 and ducks for

216,500 in June, Adam's estab-lished the record with 246,000

for swans while more chickens went for £35,300 at Christie's in

October. Then the market cooled, and three of McKel-vey's painting failed to reach

their reserves at Adam's in

which have in the past year

Jackie Wullschlager

Wordsmith of war and more

ALAN MOOREHEAD by Tom Pocock The Bodlev Head £16.95. 311 pages

to tell the tale of this maste

wordsmith from Down Under. War correspondents have a licence to romanticise their trade and Pocock gives us an awful lot of the glamorous side of the last war as relished by "The Trio" (Moorehead, Christopher Buckley of the Telegraph, and Alexander Clifford of the Mail). It's meant to sound a great life and perhaps it was - parts of it. The role of these men - the importance of their daily news coverage of the fighting - is hard to recap-ture, nearly 50 years later in an



unsung cameramen have an impact immensely greater than

any of today's print reporters.

For this reason I would have been giad to have more and fuller examples of Moorehead's actual reporting. We are assured he was the best. So how good was best?

The man emerges sympa-thetically - charming, flirta-tious, sociable, short, depressive, introspective - his family even better. His career see to divide in three: the Australian's early, rapid success in Fleet Street; the ten post-war years of hesitation while he sought his new metler; and then the confident flow of splendid bestsellera.

Or rather, it divides in four. The final episode is deeply sad. oorehead had a stroke at 56 and spent the next 17 years his brain active his memory clear - unable to commun cate at more than the crudest level. "A great Prince in prison lies" said his friends - but surely that isn't what Donne had in mind. . .

J.D.F. Jones

West Briton view

a promising start Anglo-Irish, parents spending most of their time in India, prep school at is that the autobiographer has something to tell about the the Dragon, then on to Shrews-bury and most of the holidays in Ireland. He went to Magda-len College, Oxford, had a brief (unpaid) spell at the Irish Times before doing most of his war service in flying boats and The first parts - indeed

then returning to the Irish Afterwards he did such boring jobs as editing The Specta-tor during the large part of Sir Ian Gilmour's proprietorship and presiding over a television series called All Our Yesterdays. Latterly, he specialised in writing about parascience, in his case the relationship between psychology and medi-

cine.
If that sounds a bit of a parody, it is because there is an almost invariable law about autoblographies: the early part is nearly always better than the later part. The explanation

The Anti-British sentiment

early life that was not previously known. On the reasonable assumption that the writer has become a public figure, much of the rest is known

almost the first two-thirds — of Inglis's book are fascinating, even if some of the stories have already been told in the author's earlier book, West Briton. The term has long ceased to be used, but it is the equivalent of North Briton among the Scots: a Briton not from England, yet ready to accept the British system, if given a real role in it.

Inglis grew up when Ireland was turning to a more aggres-sive nationalism. "For a time," he notes, "I was to begin to feel Irish in England more than I

in Ireland, however, was not universal, Inglis records several occasions when the bish Times managed to get its pro-allied views through the censors during the Second World war. The chapters on the *brish* Times and its editor, Robert

DOWNSTART: THE **AUTOBIOGRAPHY OF BRIAN INGLIS** Chatto & Windus £15.95, 298 pages

Maire Smyllie, are the best in the book and could stand on their own.

Even on his way to Fleet Street, Inglis was still full of anecdotes. He went to write for anecocies. He went to write for the Daily Sketch where the edi-tor, Herbert Gum, could not understand why his young theatre critic, Kenneth Tynan, should have accepted an offer to move to the Observer. Gunn

could not conceive that the possibility of writing 1,000 word reviews rather than compressing them into 200 would make it worth it alone. Still less could be accept that the Observer could be considered more prestigious than the

Then came the Spectator and Then came the Speciator and Suez, where the paper opposed the Government's policy, the 1959 general election where it declined to support the Conservatives and ultimately Gilmour's decision — seem by Inglis as a betrayal — to seek to become a Tory MP.

Certainly the paper flourished under Inglis's editorship. But the trouble with this story is that all of it is known and has been told many times. Inglis adds nothing and omits quite a lot. Still, the first 200 pages are worth reading for the tales and impressions of the young West

Malcolm Rutherford | December where the top price of one of his works was £22,000.

The forgotten men of music

Rakhmaninov disappear from our concert halls to be replaced by yet another rendition of Chaikovsky's "1812"? Will Maxwell

tion of Chaikovsky's "1812"? Will Maxwell
Davies' latest concerto give way to one
more Mahler symphony? Well, perhaps.
Tough negotiations are currently taking
place between the Performing Rights Society and the proprietors of our leading
halls, led by the South Bank Centre, which could transform the musical diet of the nation. The PRS is the composers "trade union," which has the task of ensuring

union," which has the task of ensuring that working composers, plus their publishers, get their financial due from every performance of their music.

It is now trying to do something for the classical composers in its ranka, an impoverished, rather troublesome, group of around 1,600. Some, like Sir Michael Tippett and the beneficiaries of the late Benjamin Britten, receive chemes but five fig. min Britten, receive cheques into five fig-ures, but around a thousand classical composers earn on average less than £30 a year from their creative output. The PRS has launched a campaign to raise their royalties; the proprietors, and concert promoters, argue that the increases are so savage that they will be forced to cut back on contemporary classical music, replacing it with the work of composers safely out of copyright.

This is a world of complicated formulae and daft economics. Perhaps the daftest fact is that, currently, the PRS collects just over £300,000 a year in royalties from the performance of contemporary classical music but spends over £700,000 a year in administration costs in this sector. To make some sense of it all "pop" compos-ers, who receive over £70m a year in royal-ties, have traditionally subsidised their less market conscious brothers. This enables the PRS to the pay out almost £1m

enables the Pics to the pay out almost him a year to the classical composers.

Now the pop people are rebelling, and the PRS is trying to raise the film directly, through higher charges. It points out that, compared with other European nations, its tariff is very low — in Holland, for example, classical music royalties are twice as then as those collected by the PRS I wai. ple, classical music royalties are twice as high as those collected by the PRS. Ironi-cally if the the PRS gets its way the actual pay-out to classical composers will hardly

increase, but some sort of rough justice will have triumphed. will have triumphed.

So far the negotiations are running true to type. Deadlines are being pushed back, compromises mooted. The PRS offered a choice of formulae to the concert halls but it was seeking in some cases a fourfold increase in royalties. This has been reduced slightly and the time for talking extended. Both sides want to avoid the costly and time consuming final solution.

referring the dispute to the Copyright Tri-

bunal for independent arbitration.

The South Bank Centre, with its three concert halls, is leading the defence. In the past it has paid an annual flat rate charge to the PRS which this season is just over \$80,000. It has absorbed the cost and not passed it on to concert promoters. If it must pay according to the new formulae its costs will increase to over 2200,000 a

Antony Thorncroft reports on the bizarre world of musical royalties

year and it would be forced to pass on the extra charge to promoters.

This means that the promoter of a typithis means that the promoter of a type-cal Festival Hall concert containing music subject to royalties, which might bring in £20,000 at the box office, will have to find an extra £1,206 for the PRS, as against the £200 current royalty absorbed by the South Bank. This will lead either to higher

South Bank. This will lead either to higher ticket prices — or to concerts avoiding copyright music.

It comes at a bad time. Concert audiences are beginning to falter and money worries may well force them to be more selective. reducing further the almost selective, reducing further the already small audience for concerts of contempo-

The major orchestras, and the groups that concentrate on playing contemporary music, like the Nash Ensemble, cannot afford to cut back on copyright material. These days the size of their grant for each concert from the Arts Council, or Regional

to the amount of experimental, non populist, music they perform.

However, the Arts Council finds itself in a dilemma — it believes that composers are the forgotten men, and women, of contemporary music making, but it is well aware of the financial risks promoters take in staging concerts of their music. Its resources are limited; but its known commitment to new music makes it appear the mitment to new music makes it appear the likely financial solution in the tussle hely financial solution in the tussic between the PRS and the hall owners. Its answer is that it will not provide the extra cash to bridge the gap, but suggests that any extra payments be phased in over a

any extra payments be phased in over a longer period.

The commercial promoters, like Raymond Gubbay, may well concoct programmes with little, or no, music liable to royalties, especially as it tends to reduce the size of audiences.

The gap between the concert hall owners, and promoters, and the Performing Rights Society has shrunk to around 1100,000, a sum small enough for a deal to be struck. The PRS has promised that if an agreement can be reached it will not seek any more changes for ten years. The whole exercise is hardly worth its time, but, having managed to improve the rates for its ing managed to improve the rates for its pop clients, it was honour bound to look after "serious" composers.

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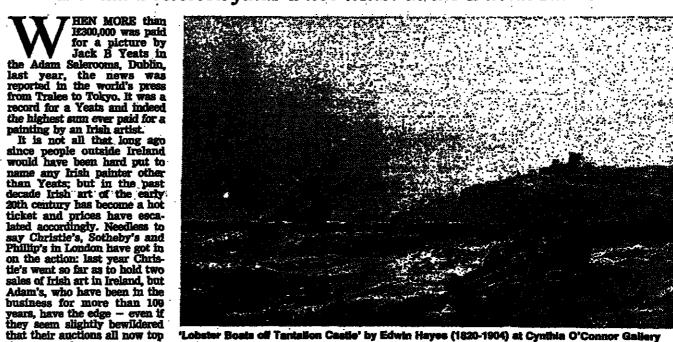
after "serious" composers.

If it has the energy after this battle it intends to turn its attention to the real underclass — jazz composers and those linked with them, the composers of light classical music. These are the real stragglers, with royalties around half those classical property composers. They achieved by the classical composers. They can get by if they write for television and radio, but their earnings from live perfornances are really not worth collecting. In the bizarre world of musical royalties

In the bizarre world of musical royalites decisions have to be taken as to what is classical and what light classical. A chorus from The Messiah, for example, qualifies as "classical," the adagio from Sportneus as "light classical," and thus worth less. The scope for prolonged negotiations seems considerable, especially if the European Commission decides that there should be one movelty system to cover the should be one royalty system to cover the myriad of arrangements currently confusing audiences, promoters and composers, here and abroad.

An appetite for Irish art

Homan Potterton finds a hot ticket in the Dublin salerooms



'Lobster Boats of Tantalion Castle' by Edwin Hayes (1820-1904) at Cynthia O'Connor Gallery

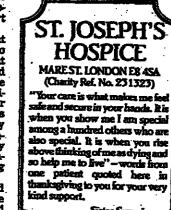
are other artists whose work has always sold well but whose prices have rocketed in the past decade: Walter Osborne, Nathaniel Home, the Younger, Paul Henry, Roderic O'Conor, William Oroen, and John Lav-ery are in this bracket. A good Osborne would have sold for about £10,000 in 1980. Today it could be \$100,000 and the same would be true for the other painters. The top price for a Paul Henry at Christie's May sale in Dublin, a fairly typical "cottages in the West of Ireland" was £18,700; but by the time of their October auction two of his pictures fetched 235,300 and £44,000 respec-tively. Two months later Adam's established a new record for the artist when they sold a Connemara landscape

for £63,800. And who are the collectors with such an appetite for Irish art? Some are the Irish in Britain, others the Irish in America but the majority are the Irish in Ireland itself often the tycoon Irish: it was Michael Smurfit who bought the record Yeats. find Smurfit and his ilk queu-ing for three days before a sale opens at The Gorry Gallery in Dublin's Molesworth Street. That is the phenomenal prac-tice of a host of ordinary collectors who know that many of the best Irish pictures cur-rently available will be found there. The same collectors will be found buying at The Cynthia O'Connor Gallery in Duke Street or at the recently established Taylor de Veres Art Auctions in Dawson Street.

The mood in Dublin is that prices for Irish art are set to continue rising. At the moment interest is mainly concentrated on pictures painted during the 50 years, 1900 to 1950; but inevitably, as the sums paid for these works spiral, collectors will broaden their interest. By international standards Contemporary Irish Art is very cheap and there is a large stable of young talent just weiting to be discovered.

In the meantime, 18th and 19th century Irish pictures are still relatively under-priced and Robert Goff of The Cynthia O'Connor Gallery detects that

"interest is beginning to filter back to this area." In the not too distant future we may hear more of James Arthur O'Connor, and not just him but such other under-valued 19th cen-tury painters as John Henry Campbell, Jeremiah Hodges Mulcahy, Edwin Hayes, Matthew Kendrick and John





Night of epic splendour

Max Loppert reviews 'Prince Igor' at Covent Garden

ORODEN'S marvellous opera has been revived at Covent Garden after an interval of more than half a century, largely complete (with the notable provision of the often-cut Act 3) and at length (the performance lasts, with intervals, nearly four and a half hours). That is all good news - and so, in important ways, is the perfor-

There have been alarms and excursions on the way to the opening performance, above all the dispute within the ballet company which led to the abandonment of the specially commissioned new second-act ballet (see Clement Crisp below). Their effect was tangi-hie it was by no means the most "together" of Royal Opera-first nights, and one can confidently predict more ardour in Bernard Haitink's conducting, more incisiveness of delivery from the orchestra, and much sturdier ensemble from the

AFTER THE alarms and excursions of the Boyal Ballet's pay dispute in recent weeks, the Folovisian warriors, maidens and their flaves

were in place on Thursday night. Not in the new chorcog-raphy scheduled from David Bintley, but in a version of the

Fokine dances adapted by Christopher Newton from the Royal Ballet's 1965 staging. Let it be said at once that

the company deserves every commendation for getting the

dances to the stage in five days. And be it further noted that the space allotted by the

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chorus later in the run. But already the production reveals a work, probably all but unknown to most in the audience, of grandeur, of largeness of scale and substance, of theatrical vision not just imusual (by conventional measurement) but elevated. The reputation Prince Igor bears in the West, at least - as one of the more exotic and irratiosuffered a telling blow on

Thursday.
In these columns last weekend Roland John Wiley offered
an admirably held account of the way the opera was written over many years, and subject to endless interruptions and delays - and its frag-mented condition after Borodin's death (the completion and performing version were left to Glazunov and Rimsky-Korsakov). It is one of the mysteries of the medium that a work so complicated in its gen-esis, so simple in plot-line and

production is not calculated to

encourage that ferocity and earthy vigour which has ever

been the essential quality of Fokine's choreography. What should be a barbaric males of

across in epic splendour. With the glow of Thursday evening still warm in the memory one must insist that the basic musical material carries within it a coherence that survives all plot discontinuities; also that Borodin's whole dramatic method - in Wiley's words, "successive and comwords, "successive and com-posite rather than progressive and logically coherent" – achieves something that is, in fact, profoundly operatic. This is not a play with music, not a tidy theatrical package with musical trimmings, but a rare convocation of all of opera's tich and various means (dence

at the same time so full of nar-

rative loose ends, should come

rich and various means (dance included) to create an unre-peatable dramatic experience. great war spics. In its succession of tableaux it seems to sum up, indeed, with poetic variousness what war has meant to man across time:

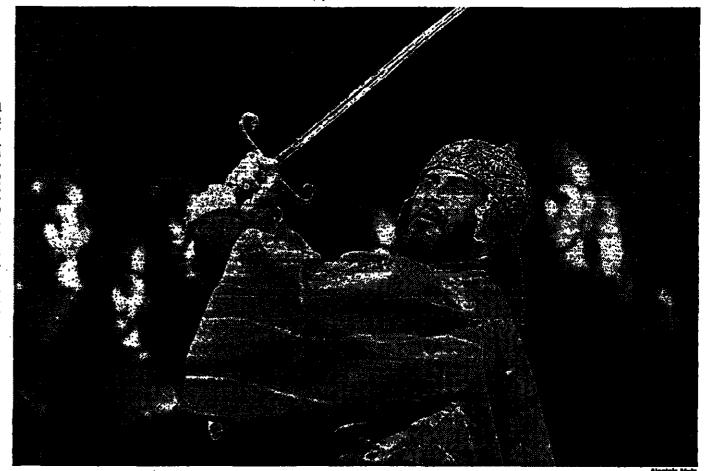
Polovtsian warriors dance on

score, like the choreography, speaks of wild splendours we do not see, but which were grandly evident in Roorich's declare for then Rolled Presse. signs for the Ballet Russe. Mr Newton has trimmed and edited the Fokine text with skill – the dance of the Polovshould be a barbaric melée of warriors appears almost demure as a mere six chaps leap in the wake of Stephen Jefferies, their leader. They are in no way helped by gim-crack costuming, whose vulgarity for most of the dancers suggests that there are rich deposits of gold lame on the steppes. This caharet aspect is as serious a problem as the constricted dance-space: the isian boys is very effective: what remains is to inculcate something more weighty and more elemental into the performance manner, and to pro-vide costumes that enhance rather than minimise the

and brute violence, proud energy and hopelessness, high romantic passion and low greed, constancy and political deviousness, are embodied in each of the principal personages and span the opera's two opposed worlds, Russian and Tartar. What it needs, therefore, is a cast of principals who can hold the stage with "emblematic" power of voice and personality.

It is a (somewhat rare) pleasure to be able to congratulate the Royal Opera on its casting this Prince Igor offers London some of the most full-blooded operatic performances in recent times - old-fashioned. maybe, and absolutely none the worse for that. This is at once an evening of Interna-tional Opera triumphant – oh the miracle of glasnost, that three leading Russians, two Bulgarians and a Georgian have landed on the same Brit-ish stage! - and an evening of its exact opposite. To hear the "original language" sung with bite, dramatic intensity, and confident control of meaning by singers who know how and why they should do so reminds us what nowadays Interna-tional Opera almost always

Sergey Leiferkus in the title role, a baritone with a Lieder-singer's acuteness in his utterance and an actor of tremendous focussed intensity, and Anna Tomowa-Sintow (her soprano opening out into the house with quite glorious amplitude and lustre) as his wife Yaroslavna command the tumes that enhance than minimise the stage, the opera, and the evening. Ulysses and Penelope in unfamiliar dress, touching our emotions to their core because of the unstinted nobility of



Paata Burchuladze, not the tidiest or subtlest of basses, makes Konchak a figure of larger-than-life vitality; the huge voice, the bull-like figure, and the bold mixture of carrot and stick in his characterisation are simply sensational. Yelena Zaremba (British debut) as his daughter steals all hearts with her tall, slim presence and rich-hued, agile mezzo; that fine tenor Alexey Steblyanko seemed on Thursday to find the high climaxes of Vladimir's music a little

steen, but will amely recover form. Nicola Chiuselev as the debauched Galitsky also sounds a touch drier than usual, though the individual roll of his bass contrasts well with Burchuladze's. From the home team Robin Leggate (Ovlur) and Gillian Webster (Polovstian girl) hold their own in small parts.
About Andrei Serban's stag-

ing I have mixed feelings. Plainly, the speciacle "works," since otherwise the leading performances praised above

affecting, downbeat ending -Serban indulges in a touch of register their dominant impact. Livin Ciulei's (rather hideous) serian indinges in a touch of "relevance," not very effective, by mixing period and 20th-century costumes; the treatment of the comic peasant stripped-pine set can be varied with considerable dexterity; the production is practicable, without undue pauses or stum-bles. But there is, I find, a con-tinual clutter of detail (little vignettes for raped maidens, much draping-about of barerogues Yeroshka and Skula (Francis Egerton and Eric Garrett) is facetious and unidiomatic. breasted Polovstian women, and so on) that could be

No matter: the most important things about this Prince Igor have been got right, and they make for an exhilarating evening at Covent

HR DISH of the month is murder and the chef will prepare it for you a choic. In David Lynch's Twin Pauks it comes beheaded and wrapped in plastic, in a tale of serial in plastic, in a tale of serial slanghter in a Montana timber town. In Peter Greenaway's The Cook, The Thief, His Wife And Her Lover (Palace), it is lovingly prepared by a French cook for a cannibal dinner. And in Child's Play (MGM/UA) and Dressed To Kill (Virgin), a living doll and a transvestite doctor are the screen's respec-

doctor are the screen's respec-Astonishing the way we Astonianing the way we human beings enjoy fine nurders like fine food. With one provise: that it be speciationally the first band experience. Even I, for example, thoughts by my recent flumbelions decliner thank was for lows dealings (thank you for your letters, I now have my television back in working order), have questred the pen to the sword when dealing to the sword when dealing with such archenemies of our time as TV rental companies. Artists, however, entranchised by fiction, feel free to imagine all manner of heastly dispatch. Turn Praks, a scoop for the British wideo market, is the first film by director David Lynch since his brilliant Blue Veloc. It was made as the pilot for an American TV except to

for an American TV series to which distinguished film-mak-

ers will each contribute an epi-

sode. The fictional town of

Twin Peaks, Montana, is the

common setting, a place tran-

Murder served up nicely matised in Lynch's film by a series of brutal killings of

young girls. Whodunit? Police chief Michael Ontkeen ponders, FBI man Kyle McLachlan drives up from Washington to help, and the screen is awash with men-ace and mystery. As in Blue Veloct, what frightons is the way no one plays by the rules of movie character or convention. Mothers unhinged by grief seem as wild as the roam-ing liftler; a police photogra-rher weeps at murder scenes; model citizens prove to be don-hie-dealers; and the villain's final unmasking is unexpected, grotesque and almost farcical.

As if enough bloodstained carpets had not been pulled

from under our feet, Lyach provides a surreal, extraordinary epilogue "25 years later." It involves Mr McLachlan, a midget and a young lady returned from the dead. What they say — and more interestingly how they say it — I shall leave you to discovered the live and much more interestingly how they say it — I shall leave you to discovered the live and much wonderful thriller and much much more; an analysis of the worm-in-the-woodwork in small town America. Peter Greenaway's tale of sex, food and murder, The Cook, The Thief, His Wife And

praised in these pages. Enough to say here: if you missed it on the large screen, selze your chance on the small. Brian DePalma's Dressed To Kill is a shiveringly stylish murder spree from the director of The Uniouchables and Casualties Of War. (Few suspense scenes better that in which murder quarry Angle Dickinson is stalked through the eye-teasing maze of an art gallery). And Child's Plan, directed by Tom. Holland, is a marrily macabre treat; the tale of a child's doll undeterred even by missing batteries. In a month where death has

so much dominion, how heartening to see Castle/ Hendring Video bringing out a series of Lifetime Achievement Award ceremonies from Hollywood. The American Film Institute's star-studded galas in honour of Jack Lemmon, John Huston and others are full of

Video are bringing out enticing Video are bringing out enticing movie clusters under names like "The Cult Collection," "Horror Collection" and "British Comedy Collection." "Modern Classics," the best cluster, offers you a choice four-pack of Herzog's Nosferutu, Fellini's Casanova, Bob Posse's All That Jazz and — that film again — David Lynch's Blue Velvet.

Finally and formidably:

Finally and formidably: Spike Lee's Do The Right Thing (CIC). Races clash in midsummer Brooklyn in the best cautionary tale about race relations produced in the late 1980s. No heroes, no villains,

Radio

Fairy tale for grown-ups

HERE ARE 30,000 new words in the Oxford Dictionary, said Alis-tair Cooke in his Letter from America, and then used the word "docudrama" as if it were part of the language. There is one word that has been in the Oxford Dictionary for decades that I am still dubious about seeing printed here,

ous about seeing printed here, even electronically.

It occurs several times in Dave Dick's play A Pig's Whisper (Radio 3, Tuesday), but I shall just use if once to show its context. Anne (Ann Mitchell) in the play was born at the same moment as a pig without an arsehole. She saves has a boy the former has a been a boy ("a farmer has to have a son"), so she reckoned that she and the pig both had something missing. The pig was corrected with a knife, Anne matured to run the Pler Hotel without much help from

There's little narrative in the play, just Anne's family life on her 50th birthday, though time shifts sometimes to her childhood. She has ordered a "do," but now lies in bed while her son does the work. There is talk with her mother, her father and her grandfather (some in tetrameters) but this merely adds detail to the pic-ture – the flood that drowned her husband, the great-grand-

ART GALLERIES

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To be sold as part of se important two day sale of Ancient, English and Foreign colos, in gold and aliver, 7 and 8 Merch, 1990.

father's fortune on the Yukon lost in a shipwreck, and so on. her husband has divorced her

constant weeping. A strange woman leads her to a decent room run by the pleasant Rifka (Leslee Udwin). A nice young man, Dov (Ben Yeger, the author's son), wants to be taught English. The first woman Anna (Ruth Posner), is alightly crazy but has a studio where she paints endless pictures of the Madonna and Child Child.

She is a survivor of a concentration camp. Dov's brother was killed in the You Kippur war. Ruth learns from her friendly tour round Jerusalem that she must learn to live with her troubles and become a useful person. The play is a happy guide to Jerusalem, indeed in an optimistic way to Israel, for nothing nesty happens and the

1 b4! cxb4 2 Qxh7+! Kxh7 8 bxg5+ Kg6 4 Ne7 mate.

no solutions. Just a blaze of truth in which comedy and tragedy wrestle for survival. Nigel Andrews

and Jewish-Israeli players. Kay

That Hideous Strength, by C.S.Lewis is Radio 4's next

"classic serial" on Friday afternoons. Lewis called it a

"fairy tale for grown-ups." The

first part of four, sklifully dramatised by Stephen Mallatratt, is as scary as

Mallatratt, is as scary as Grimm, as unlikely as Perrault. It begins with a nightmare, horribly portrayed by Kathrynn Huributt, who is Jane, wife of Mark, a Fellow of imaginary Bracton College. She is advised to talk about her dream to a Miss Ironwood.

While she is define as we

While she is doing so, we learn that Bragdon Wood, in the college grounds, is to be sold to the National Institute

for Co-ordinated Experiment, a fascist outfit designed to "correct the balance of nature." Mark (Andrew Wincott), a sociologist, is invited to join this sinister provided to the second that the best of the second that the

group, for society is to be revised. How is not yet clear.

Experiments on criminals, naturally; but the mad Rev.

Straik says the Kingdom of God is to be established here. And yet the reason why NICE

(!) is buying the wood is

because it contains a well where Merlin may be buried.

Miss ironwood, of course, is

machine-gun

one of Them, and Jane will

have none of her. Demolition,

accompaniment, has begun

almost as soon as she is home.

and the instalment ends with what sounds like a massacre.

Patrick directed.

supposed my disapproval of Richard Long's conspicuous failure to receive his Turner Prize last November extended beyond the event, I am delighted to commend three current shows of his work. The first, the large Slate Circle of 1979, sits in the central Rotunds of Tale in the splendidly rearranged display. The two current one-man shows, at the Arnolfini in Bristol (16 Narrow Quay: until

O ANYONE who

February 25) and at all three of Anthony d'Offay's London galleries (9, 21 & 23 Decing Street W1: until February 24) fix only on Long's work of the past 18 months, in its several aspects: the stone circles and lines, the texts, the photographs, the splashes.

Only the large mud drawings are reserved to Bristol. As always, the sculptures are tallored to the particular

rooms they occupy, each work not merely existing in its physical presence, in its weight and texture and colour, but informing and qualifying the whole space that we, too, must move into and share. The sensation is extraordinarily direct, the more so perhaps for being worked by such apparently simple means, the mere laying out of a mass of undressed chunks of stone in various basic conformations upon the floor. Most remarkable in this way

is the large Turf Circle. This occupies the largest of the Arnolfini's spaces, a space interrupted and constricted by two substantial internal pillars. But Long's circle now embraces and absorbs them to such peculiar effect that while they by no means disappear, they no longer dominate in their usual way;

Pick of the Week

I have never known the room seem so broad, open, and

scraped away with no loss.

The visual tone of Deirdre

Clancy's costumes is surprisingly coarse. In the finale – that curiously

Sculpture tailored

from the countryside

Long is now experimenting more freely than for some time past, the sculptures more variously and positively seductive to the imagination, with their spiky red slate, or soft white onyx, or bright green quartz. Where the experiment has been less successful is with what Long calls his Water Lines. Here he has yet to devise the simple, essential structure that defines en the freest of his mud drawings on the wall. A bucketful or two of white china clay thrown across the floor, as at Dering Street, as yet seems mere self-indulgence

William Packer on the work of Richard Long and Roger Ackling

or self-delusion. The more refined the means, the more necessary the discipline, for it is the greatest heresy to believe that every gesture of the artist is significant. Long's preciosity and inclination to self-importance are abiding

The texts, however, grow more impressive and seem now so much more convincing a record and product of Long's prodigious treks into the wilderness than the admittedly beautiful photographs on which he used to rely. Much of the old archness, the false poeticising, has given way to the more rigorous structures poetry. And, less self-conscious, the wit rings

incidents and objects on the way, including scraps of conversation set out in counter-point column down the page: "There's Tully's it's more than a half mile less than a mile...hallo a bad evening...grand morning...my mother never let anyone pass her door without feeding them...good day t'you:" true, faint echo of Pegeen Mike.

Roger Ackling, who is now

showing at Annely Juda Fine

Art (11 Tottenham Mews W1:

until March 3) is another artist who draws both his subject and his material from his passage through the world. though his territory has always been more close and intimate. All these new pieces are made from scraps of driftwood picked up on the beach near his home in Norfolk, and worked in Ackling's peculiar way, with a magnifying or burning glass. He simply scorches lines sequence, responding to whatever the material offers or suggests. It is an obsessive, simple process and as ancient as the discovery that a glass could concentrate the light and heat of the sun. It could be as mindlessly therapeutic as knitting, yet Ackling brings to it a contemplative intensity and sincerity that are entirely convincing. His works take on the quality of some fetish or relic of who knows what ancient cult, an atavistic talisman of real but nameless potency, worn and smooth by long use and reverence. These small, sometimes tiny things could as well have come from the South Seas or Peru as from

a quiet Norfolk studio. They

are absurdly beautiful.

The Official London Theatre Guide

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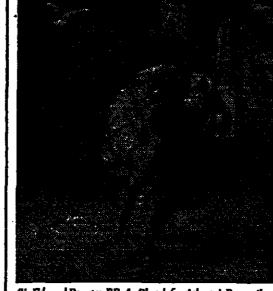
The ambience is attractively drawn, Jeremy Mortimer has directed colourfully, but I suspect the play is easier to follow on paper than on the air Radio 4's Monday play, Shella Yeger's Yellow Ochre, has more varied content, yet is a simpler play. Ruth (Sarah del), at an Israeli airport, has no idea where she wants to go, but decides on Jerusalem. She is not so silly as she sounds; she has a handicap, she hears in her head the voice of her young son Timmy. We learn later that she is in Israel in flight from England, where

and got custody of the boy. Much in Jerusalem provokes, and cures, her

Not so much a fairy-tale for grown-ups, surely, as a political thriller for children. Nigel Bryant directs. B.A. Young

david calder alan macnaughtan bob peck marjorie yates n arthur miller's The Young Vic 1 february-24 march 1990





Sir Edward Poynter, PR.A. Sketch for Atlanta's Roce, oil on canvas Signed and dated 1875, 849 x 2544 in (detail)

THIS IMPORTANT SKETCH relates L to Sir Edward Poynter's decorative scheme for the Billiard Room at Wortley Hall near Sheffield. Commissioned in 1871 by the Earl of Wharncliffe, the series of four mythological paintings was one of the artist's most important mural schemes, but sadly was destroyed during the Second World War. The finished version of Atlanta's Race was hailed as the most outstanding picture of the year when exhibited at the Royal Academy in 1876. The sketch is included in the sale of British Paintings of the 17th, 18th and 19th Centuries at Christie's, King Street on Friday, 9 February at 10.30 a.m. For further information on this and any other sales in the next week, please telephone (01) 839 9060.

8 King Street, London SW1 85 Old Brompton Road, London SW7 164-166 Bath Street, Glasgow

Auckland's bitter-sweet fiesta

EBASTIAN COE'S with-drawal from the 1,500 metres at the Commonwealth Games may have been tinged with anti-climax. But that is nothing to the after effects that have be visited on the good citizens of New Zealand. A superlative athlete, Coe has been skilful in recent years in moving adroitly between the dis-parate worlds of sport, finance and politics. The Games organisers must wish they possessed equiva-

Despite this being the Common-wealth's biggest-ever sporting flests, with more than 50 nations and 2,500 competitors, it has been a long way from total success. Finan cially, the New Zealand taxpayer is looking at an £8m deficit. Thousands of seats have been empty at the major stadiums and it is hard to avoid the impression that the bigst bonus has been for NZ's television and radio networks, which have received hundreds of hours of

cheap broadcasting.

This might sound as if it missed the point - which is, surely, to have staged a festival of first-rate sport - if it were not for the promse many months ago that the Auckland Games would emulate the Los Angeles Olympics and be self-financing. Rate-payers were even offered

a profit.
Speaking in London last year,
Commonwealth Games' chairman
David Johnson promised "an entirely new formula for funding which is canable of revolutionising the Games in the future." Officials boasted that they had created a "circular path" between sponsors and broadcasters. Three hundred million viewers around the world were the bait to lure mega-dollar

sponsors.
"We set out from the start to

make these games commercial: paid for in the main by national and multi-national sponsors, TV sales and gate receipts. Auckland is to the Commonwealth Games what Los Angeles was to the Olympic movement," enthused Johnson.

It hasn't happened. Despite the high athletic standards, the plethora of world records broken by the Australian swimmers in their blitzkrieg on the pool, the continued dominance of the Kenyan runners and the low-rent drama of the drug-taking Welsh weightlifters, the Commonwealth Games remain a small family party. The Olympics they ain't.

Commonwealth Games for their

city.
In my view, the battling off the field will be as intensely competitive as some of the events concentrated on the track," said the WA minister for sport. Delegates from New Delhi and Kuala Lumpur were also in town bidding for 1998. When you stirred in Olympic-bid lobbyists from Manchester, Athens and Atlanta – all in town trying to wine and dine the 13 International Olympic Committee members visit-ing Auckland – the lobby of the Ryatt hotel began to resemble noth-ing less than an Arab souk. International events are the com-

Only three mega sports events can hope to recover their costs. The Commonwealth Games are not among them. Keith Wheatley reports

deficits.

None of this would matter too much if it were not for the rash of middle-sized international events coming up that look like following the Auckland, rather than the Los Angeles, model In Sheffield, a worried city council is up to its neck in expensive preparations for the 1991 World Student Games. Amid resignations and recriminations, there is

not a major sponsor in sight. In Perth, Western Australia, the state government is becoming resigned to picking up the multi-million dollar tab for the world swimming championships in a year's time. Business doesn't want to know. Nevertheless, lobbyists and wheeler-dealers from the former home of yachting's America's Cup were thick on the ground in Auckland trying to pick up the 1998 modity; sponsorship, TV rights and new sports facilities the currency for purchase. What no one was willing to discuss was the necessary input from tax- and rate-payers who must meet the seemingly inevitable

"There are probably only three international events attractive enough to earn back their total budget — operating costs, not capital," cautioned Mark Jeffrey, a leading UK sponsorship consultant. "They are the Olympics, the soccer World Cup and the America's Cup. Every thing else, however worthwhile, needs government help." Of the bidders and hustlers tag-

ging coat sleeves and making dinner dates at the Auckland Hyatt, however, most were sports adminis-trators and enthusiasts with no gov-

ernment blank cheque in their blazer pockets. Not one of them seemed worried that, despite the year-long efforts of the esteemed Pascoe Nally International, the present Commonwealth Games lacked an underwriting sponsor. Dame Cath Tizard, the popular mayor of Anckland, has spent the

past week digging herself out of a major hole. She personally guaran-teed her voters a "no-cost" Games and then found that the New Zea-land Government didn't want to know about handing over money. A proposed surcharge of two cents a gallon on petrol found no favour in Christchurch or Wellington, centres remote from the action.

New Zealand and our city are getting exposure world-wide in a way we couldn't have bought for \$80m," enthused Dame Cath. Few citizens seem to agree with her, especially when faced with an average bill of NZ\$18 a head. "If this is a national bonus," argued the Auck-landers, "let the nation as a whole

"Hang on," shouted back the 2m New Zealanders who don't live anywhere near the City of Sails, "Auckland went out and bid for the Games without asking us. We're having to watch it on TV just like the folks in Nairobi." Even the selfcongratulation for the superb sonet-lumiere opening ceremony fai-tered when people realised that it had cost an un-sponsored \$5m for just 120 minutes of spectacle.

According to Jeffrey, these "second-tier" events such as the Commonwealth and World Student Games have huge costs - security, for example - that no company is interested in sponsoring. Their only hope of viability is to ask regional and central governments for contri-butions on the grounds of prestige



The aff English winners of the 200m final Adam (gold) and Ade Male (bronze

and promotional value difficult in the era of "self-help" and Mrs. Thatcher.

However, according to Bob Scott, who chairs the committee bidding to take the 1996 Olympics to Manchester: "You can get a stadium built using public money. What you cannot do is go to Mrs T and say: Give us £40m for our new sports

"Asking any government to throw all its policies out of the win-dow is hopeless. You need to be cunning and fit your requirements into the existing framework. There

are buckets of public money float-ing about, in the form of everything from regional development to the Channel tunnel." He was in Auckland unashamedly

lobbying IOC members and other pediars of influence to vote for Man-chester at the September ballot which will choose the venue for the 1996 Olympics. Scott, who runs two theatres in the city, advised Man-chester not to hid for the student games on the ground that it was an event which could never be made even to look self-financing. "The Olympics can generate reveits operating costs and make a profit," said Scott, adding the proviso that capital provision must be stripped out and accounted for on a different basis. "If you apply Mon-treal principles (looking to recoup capital costs), then Seoul was a financial catastrophe," he says.

What is clear in the wake of
Anckland is that probably only three mega events can exist without public subsidy. Countries that "bid" for the multitude of other events will need to look hard in advance at where the bills are going to land.

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SPONSORSHIP has also been a big theme among the yachts competing in the Whitbread Round the World Race, due to leave Auckland tomorrow on the leg which will take em round Cape Horn. Tobacco is the root of their

New Zealand's Government is considering legislation which would make all cigarette advertising and promotion illegal. For yachts like Rothmans, Merit, Belmont and Fortuna such a law would be a disaster. Auckland, a sailing-mad city popular with the crews, would possibly cease to be a stop-over in future races.

"It costs what it costs." is the approach adopted by Rothmans. Its total expenditure over the nine

A shot across the bows of Whitbread fleet

Keith Wheatley on the threat to Auckland's future as a Round the World yacht race stopover.

months of the race will probably exceed £6m. The end-product is a superbly prepared boat, equipped to be raced flat out to the ends of the earth in any conditions. Anyone who doubts the daredevil nature of skipper Lawrie Smith and his crew should have seen them throwing themselves off the jib of a 150 ft crane for a spot of "bungy-jumping." An Auckland company has brought ordinary people the chance to pay \$25 to fly like

their ankle. Knowing that round-the world yachtsmen tend to be keen on a spot of risk, the bungy company positioned the crane above a harbour basin next to the Whitbread dock. Within hours it had attracted queues of the world's finest sallors. "It's an incredible adrenalin

end of the elastic rope tied to

couldn't believe what I was doing there." It says volumes about the different style of these competitors that while Lawrie chores that limited him to two jumps a day, Peter Blake, akipper of the leading yacht

With the race half-run, Blake's crew have a combined elapsed time of 65 days 19 hours 54 minutes, and have

the superbly skilled Steinlager crew are running a risk it is complacency. They are beginning to believe that the winner's trophy is reserved

Right behind Steinlager are bunched Merit, Rothmans and Fisher & Peykel. Barring

will be another Southern Ocean spectacular. A direct del Este runs along the 60S line of latitude – well into iceberg country. However, safety and the need to keep on the northern side of the

awful black ridge of Cape Horn off to port, most of the racing will be foot-on-the-floor stuff. Lightweight fliers like Fortuna

However, the 1,200-mile trip up the east coast of South America could be among the most tactical sailing of the entire race. Here the cuming of Blake, Smith and particularly Pierre Fehlmann skipper of Merit - should come to the fore.

for a private breeze which will

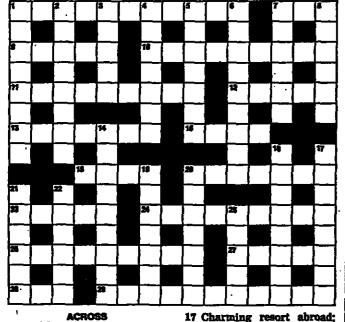
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either put them back in the hunt for honours or consign them to the rear of the fleet with the old and the lame. Among the smaller yachts, Tracy Edwards leaves Auckland as a major celebrity. The Kiwis took the diminutive skipper of the all-woman Maiden to their hearts and there was scarcely a function or a fete that she wasn't."

the Mt Smart stadium for the been great but I can't wait to

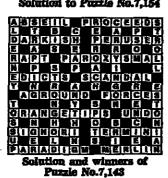
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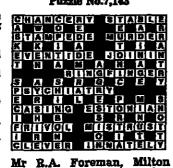
No. 7,155 Set by HIGHLANDER
Prizes of £10 each for the first five correct solutions opened.
Solutions to be received by Wednesday February 14, marked
Crossword 7,155 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday February 17.



- I Although old inside, prop-erly financed and soundly based (4-7)
- 7 Stop up the crack (3) 9 Move behind track, out of sight (5)
- 10 Same variation for audible signal (9) 11 Endured being exposed to the elements (9)
 12 Stimulant associated with
- Geneva (5) 13 An opening for gold and dia-monds provided within (?) 15 H acid, it's sweet. Give up?
- (4) 18 Contain venom, like heads of poisonous snakes (4) 20 She was his creation wasted
- (7)
 23 Last character in Athens to return a diamond ring (5) He's responsible for increase to the French and German teacher (9)
 28 Book one: vet let loose (9)
 27 May perhaps keep quiet
- with massage (5) This title is about right (3) Formal social occasion can end with diner hopping about (6,5)
- DOWN 1 Pottery club hasn't finished
- above another club (8)
 2 Record time taken by taxi
 home (2 wooden hut) (3,5)
 3 Head's trivial ideas (5)
 4 Increases push for rapid rise (7) 5 Old-fashioned but stylish
- once in action (7)
 6 Douse hot strip of leather
 for printer's ligature (9) 7 Land in sports stadium (6) 8 Country in EEC must agree

- ship seen in arch (7) 20 Tall girl's oral health care
- (7) 21 Indicates what's scored (6) 22 A textile worker, we say (5)
 25 Moved with care but dead
 after a month (5) Solution to Puzzle No.7,154





8 Country in EEC must agree certain conditions (6)
14 Settled at home and stopped running (9)
16 It's hard to study inside a research (4)

rush," said Gatorade crewman Andrea Proto, "When I first dived off and there was

Smith was chafing at the Steinlager, told his crew that bungy-jumping was a sacking

nothing between me and the won each of the three legs. If water but 175 ft of air, I just

accidents and freak results, the winner of the Whitbread will come from among this group of four. This 6,255 mile fourth leg

route from Auckland to Punte

east-moving depressions will keep most yachts in the safer country above 50S.
Until the sallors sight the

 acknowledged to be the fastest yacht in the 23-boat fleet — and Charles Jourdan may reach the Horn first.

First round the Horn is by no means a guarantee of first into Punte. And for the mid-placed boats such as Fortune, Fazisi and The Card, there will be a strong temptation to go off looking

invited to open or attend.

The zenith of her fame came when Miss Edwards was invited to be one of ten stars to run the Queen's baton into opening ceremony of the Commonwealth Games. "It's get back to sea," said the natural heiress to what one might term Clare Francis's

TELEVISION AND RADIO

SATURDAY

BBC1

638. asr Commonwealth Garmes. 588 Going
Livel 12:12 pm Weether. 12:13 Grandehand
including 12:23 Commonwealth Garmes; 12:05
Pacing from Chepstow; 12:05 News; 12:05 pm
Siding (Méon's Downhill from Chemonbd; 1:15
Pacing from Chepstow; 12:55 Rugby Union
france v England, toflowed by sectord his
overage of helend v Stodland; 4:16 Commonwealth Garmes; 4:05 Football.

8:05 News. 8:15 Regional News and Sport.
8:07 Commonwealth Garmes; 12:08 Dave Allen.
16:09 Commonwealth Garmes; 10:00 Dave Allen.
16:09 Commonwealth Garmes; 10:00 Dave Allen.
16:09 Commonwealth Garmes; 10:00 Dave Allen.
16:09 Commonwealth Garmes (News)
16:00 Commonwealth Garmes (

BBC2

7:30 um Saturday Starts Herel THE Mercey Tales. 2:30 The New Adventures of Alighty Mouse. 2:15 Chucklevision, 2:20 Thendercate. 2:35 Open University. 2:35 pm Shribant (in Hindi with English subtities). 2:25 Filter. Thotal Hood Junior Starring Reith Chegwin, 14:25 Filter. The Cold in Alex? (with John Mills, Sylvia Bissa, Anthony Cumyle and Herry Androve). 2:25 Mexicay Night Cilva. 2:25 Mexicay Oct. 14:25-22:36 am Filter. "Groystater The Legend of Tazzah, Lord of the Ages" with Christopher Larsbert, Raigh Richardson, last Holm, Jenne Fox and Andie Mexicovel.

LONDON

BBC1

58¢2

LONDON

7:16 am Open University. 2:26 Playdays. 2:16 Articles of Felds. 2:26 This is the Day. 18:26 Bezzer. 18:25 Bunglomo Italia! 18:36 Euro-pens. 11:28 Spatting & Opt. 11:28 Step Up to Word Power. 11:56 Smpl 22:36 pm See Hear

Nord Power, 11:36 Simpl 22:36 pan See Heart 12:38 Country File.

12:30 News; On The Record. 256 SastEnders. 250 Heave; On The Record. 256 SastEnders. 250 Hayrasidonal Snooker Senson and Hedges Manters. 255 The Clothes Show, 8:36 Antiques Roadebox, 8:18 R Dowert Here to Hart. 8:28 News, 6:46 Songs Of Probe. 21:5 You Rang, 8:1,0:rd? 2:35 Bergerso. 250 Mesteroird.

2:30 Ther's Life! 32:16 News. 26:39 Everytem. 11:25 Snooker (Highlights of the Benson and Hedges Massers). The Record of Hedges Massers, 15:30 an Shritzet (in Hedd with English autitities).

toss am Open University, 12:00 Westminster Week, 15:00 pm Open Popun Magazina, 12:00 40 Minneten, 2:16 Reportage Updapa, 2:00 Film: "The Naked Sper" starring James Stemant and Rober Rysus 4:00 Gruin 1930, 6:00 Rugby Special, 8:00 8th Sunday, 8:15 The Money Programme, 7:15 The Nakers World, 2:05 The Talk Show with Cilve James, 19:15 "Close Rejetion" (1900 BSCW Em), 71:30-12:06 on Repido.

LONDON

The am TV-one Sermideat Programma. 228
Children's ITV: The Dieney Club. 1908 Link.
1198 Morning Worship. 1298 Folice S. 1298
Local bares and weather. 1298 Folice S. 1298
Local bares and weather. 1298 The Match1980 McCloud. 228 The Match1980 Secue. 228 ITN Hows. 258
Secue. 228 ITN Hows. Differed by
national weather. 258 Edineys.
218 The Two of Us. 248 ITM secue.
218 The Two of Us. 258 The South-Bank
Show. Chirus Achebe. Artens Linerature.
219 The Two Coll Western. 1298 em
971215763 Pound the World Yactet Reco1258 The Two Coll Two Coll Treated.
228 The ITV Chart Show, tellowed by ITM
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Chart Show. 12:39 pm The Munstern Today. 1:00 ITM Mers followed by national weather. 1:16 Local news and weather. 1:16 Spint & Greanels. 1:00 Sportsmasters. 2:16 Coronation Street. 2:06 to Singling. (European Figure Stating Championshipe). 4:45 Results Service. 8:39 ITM News intiowed by assignal weather. 8:36 Local news and weather. 6:16 Servageth. 2:17 Catchofress, 8:46 Hap-

CHANNEL 4 BESS are Derroll in Russia. \$28 Just 4 Fan. 7:50 Once Upon A Tisse, Life. 7:58 Interna-tional Times - World News, 8:50 Transworld Sport. \$48 Channel 4 Recing: The Morning sout Timm - World News, 208 Transverid Sport. 2:89 Chemnel 4 Racing: The Morning Lios. 2:89 Chemnel 4 Racing: The Morning Lios. 2:89 Sing and Swing. 2:60 Listening Eye. 10:05 Sing Co.D.* Starting Jermes Cagney. 12:15 pm Denoe with Me. 12:45 Channel 4 Racing from Sandown Park. 2:50 Soviet Spring: Orphens of Minst. 10:26 The Starting Spring: Orphens of Minst. 10:26 The Starting Spring: 10:05 Sing Single Spring: 10:05 Single Spr

S4C WALES

CHANNEL 4

S4Ç WALES

MA Regions so Landon except of the following Smoot

12:50 per Ferning Disty, 2:50 Members Only-2:55 Whithread Round the World Yaght Rock. 2:55 Who? the Board 11:55 Prisoner Cell Black H. 18:50 am Sholes Caperis "Crooks and Coronas" (Felly Sevales and Warren Calps Star).

ANGLIA

BORDER

CENTRAL

As Channel 4 equest: \$25 are Sing and Swing, \$20 Listening Eye. 15,99 A Walk Up Sth Avenue. 19:39 Art of the Western World. 11:36 World of Herbs. 11:38 That's Entertaining. 12:36 Street Hockey. 12:26 pur Pale South Specialiss. 1:36 Right

8:00 am Heliakujahi 9:09 Country Ways. 7:50 World of Herbs. 7:50 Box Office Weekly, 8:00 The Bladens, 8:08 Boy Docenic. 8:50 Dennis. 8:25 Orientations. 18:00 A Week in Politics. 7:1:09 Pob Gose to Hospital. 11:30 The Henderson Mich. 12:00 The Welton. 7:50 per Land of the Glants. 2:00 Opera On 4: "Jenste"

derson Kide, 1298 The Weltons, 1:89 pm Land of the Glazile, 2:80 Opers On 4: "Jen-gla."
AttS Recal Duly - Palester and Decorator. Bits Magic Lasters, E28 News summany and seather. 8:30 Act of the Western World, 6:58 4th Distriction, 8:50 The Wester Versa, 7:30 Pragile Earth: South Airics - The Wester Land, 8:50 The Media Show, Exb Soviet Spring: Warisch Marjory and Oliver, 18:35 East Meets West, 12:35 am Chrema Iron Three Continents: "Peatonies" (with subt-tion).

Grisine v Lloogri, 1926 Feeture Flinz: "Don't Get Me Wrong" starring Mex Miller, 828 The Wonder Years, 726 Copters, 729 Newyd-don, 759 Minston, 818 Y Miss Cheeres, 935 Cyfansoddwyr, 1949 4 Play, 1136 Opera on 4: Aventures/Noveles Aventures, ISA Registe as Louise except at the tellow-

ANGLIA 12:36 pm A.L.F. 11:86 Suturday Night at the Movies. 11:36 Sinet's - the Movie: "The Jokes is Wild."

CENTRAL

BORDER

GRAMPIAN 1236 per Sid-Tips. 2:16 Crismagen (Geneva for the Highlands and Islands). 7 Seturday Night at the stoothe. 17:36 The Guy, 1226 am Feather Film - "The Fer Faco" starting Ben Gazzara. 12:30 pat The Mutaters Today, 11:36 HTV West Sport Special, 12:00 Seturday Hight at the Moving, 12:30 and Crime Story. HTV WALES As HTV except: SCOTTISH

12:30 per NS. 11:55 Saturday Movies. 11:35 The Star Movies, ech Strain? starring Arthur 14th TSW

12:30 pm The South West West, 1:60 Sid Tips. Juli: Newsport. 2:10 Goz Honeyban's alegic Birandaya. 11:30 Saturday Hight at the Movies. 11:25 Jate and the Father, 12:25 am Starring Sen Gazzara: "The Family Rico."

TYNE THES ULSTER 12:00 pm The Memeters Today, 2:10 The Life and Times of Grizzly Adems. 11:15 Scharday Hight at the Mostes. 11:36 First Division ape-cial: Memotectur Utd v Manchester City.

YORKSHIRE 12:30 pm Selmen. 12:35 Mr Magoc. Tirks Tour of Duty. 12:50 Schardey Night at the Movies. 12:56 mm ITN Heart Heartines to-lowed by The Staff searing Petr Cushing. Christopher Les, 488 Sennett and Patrick Wyserk.

RADIO (B) Storge on FM

RADIO 2 PARLIFU 28
stiff Helen Stagaro, 1009 Anne Robinson,
1209-Gerald Harper, 1009 Anne Robinson,
1209-Gerald Harper, 1009 as Pult the Other
One! 209 Robin Ray or Record, 366 Kelle
Boyle, 8:09 Noel/Cote - Let's Do til The first
of two programmes calebrating the works of
Noel Cowerd and Cote Purtur. 8:28 Cinems 2.
6:28 Royle, 7:290 Seet for Person,
1:28 Royle, 7:290 Seet for Recordfull Balled Years, 8:29 String Sound, 7:565
Martin Kalner, 1208 am Night Outs preunted by Cave Celly, 1:09 are Sitte Hill preents "Nightride", 8:08-4:08 A Little Night
Musik.
Medium Weyle as ebowe entegt:

pic. Sum Ways as show ement:

7:96 am Morning Concert. Edit News. 2:35 85C Scottish SO in Sectionar's Corlola; Overture and Symphony No S. 1235 Saintey. Pertur. 7:36 pm Words. 1;55 Words: Flay Porter on medical languages. 1:16 Coul String Coartst with Ripger Bigley (viola); Ireland (Coartst Vo.), Vaughan Wil-llerts (Dicidet in D.), Singson (String Quin-ter), 2:36 From the Prome 1905; Herlond

Youth Orzhestra of Great Brissis conducted by Mark Elder, Sibelius (Poblois's Daughter; The Barrit The Cosandos) (2385 interval Reading) 316 Wagner (Act 3 or 'Ole Wisiourg' with Graylostir Jones as Brunnhilds and Simon Estes as Wiccard, 465 Doubet, Jerugalem Bring Trice March (Adaign and Fugue K 4946), Beethovan (Strice) Trice David, Beethovan (Strice) Trice David Regulation, Ridde and Television Chorus and 50 conducted by Stryan Angelor. 1229 Loist Lorie (Steno) plays Beethoven: Variations in F Op 34 and Variations and Fugue on a Themse from Propertieum Op 31, Tisso Hendel in Roma, London Barouse directed by Charles Medicales, with Status (Kritby (suprano); Coralli (Concerto grosso (in F Op 5 No B; Cantaitz, Amida abbandonatia), Seeriatti (Sinfenia No 7).

RADIO 4

PRADEC 49.
750 ses Today. 200 Neses. 205 Sport on 4.
820 Strashaway. 10:00 News: Loose Ends
with Hed Sherrin and guests (s). 11:00 News:
820 Westminster. 17:00 From Our
Own Correspondent. 12:00 Neney Soc., 12:25
pas Fra Sorry | Hewert & Clue (s). 12:25 wen field beserrer tend guests (g). T1:09 Howes, the Week In Meetphinster. T1:30 From Our Own Correspondent. T2:08 Monny Box... 12:25 per I'm Sorry I huwer? a Clue (g). 12:35 per I'm Sorry I huwer? a Clue (g). 12:35 Weather. 1:40 Noves... 1:18 Any Cuswittens? 2:50 Nowes. Any Answers? 2:58 Yellow Ochro (s) Plany by Shelist Yager. 2:45 Falses of a Men Called Father with Receive Know-Merce... 4:50 Classes. Appar? 4:59 Soleence Now. 2:50 My Harose. Call Mongan tents to actor Robert Flerdy. 2:58 Meet Soleence Now. 2:50 My Harose. Call Mongan tents to actor Robert Flerdy. 2:58 Meether. 6:50 Noves; Sporte Hound-up. 2:55 Chizene. Ontolless edition (s), 7:40 Stop the Week (e), 7:46 Stop the Week (e), 7

SUNDAY



CHANNEL. 12:30 pm Refrections, 12:36 Lev Français Chat-Vous, 2:58 Kath & Dog, 2:25 Whithread Round the World Vech Race - Restart from Auckland, New Zesland, 2:55 Sptilleys, 2:55 Record, 6:06 TVS Anderd Winners The Story Yeller, 11:25 The Human Factor, 12:05 am One to One, 12:25 The Introduction 12:56 am CRAMPIAN

David Suchet as Hercule Poirot, ITV, 9.05pm

SCOTTISH

These are Short Story Theatre. 1915 Wild South. 11:06 Link. 12:05 per Jack Thorrison Down Under. 2:06 Pessine Filter. Care to starring Susan Suffices, Desmis Cole and Ray Milland. 4:06 Country Masters. 4:06 Sulfanys. 6:00 Soutepart. 71:36 Prisoner: Cell Stock M. 12:26 am Quic Night. TSW

TYNE TEES

12:30 pm Jack Thompson Down Under, 2:38
"The Trap" starring Richard Widmark, Lee J
Cobb and Tima Lovies, 8:25 Connection Street
(omnibus edited), 11:36 Societ Special,
12:38 are Wildmard Road the World Yeste
Raco, 12:39 TIN News bandlines, 12:32 Guts

ULSTER 12:20 pm Ski Thm. 2:30 Paroling Ulster. 2:35 Resolve. 2:55 The Best of Through the Key Hole. 6:36 Coronation Street, 11:36 Prisoner; Cell Block H. 12:38 are Quiz Night.

YORKSHIRE

(ii) Sheres on 716 RADIO 2

Page 18 Pager Royle says 'Good Morning-Bunday', 1865 Mildottes for You with Richard Salar, 1918 Described Carrington sids Your-Radio 2 All-Time Greets. 248 pm Benny Green. 260 Alan Del with 'Social Early', 486 Stock Megic presented by Non-Sayde Say, 486 Stock Megic presented by Non-Sayde 480 Stock Megic presented by Non-Sayde 480 Stock Bornething Bingle. 348 Chierlie Checker. 728 Gortnan und Sett, 728 Conv-cional Night, 828 Sunday Hell-Hour, 1888 Your Handrad Best Tutes. 1858 Songs tom Sto Shows. 1658 Christine Bisler at the glains, 1130 Sounds of Alex with Peter Campton. 1288 San 128a Hill presents 'Rightride,' 2206-408 A Listie Night Maste.

7990 ms Journeys and Ptsous, 7:28 Herse.
7:38 Heffetz and Friends. Mozari (Violin Sonata in C, K 250), Schubert (String Quinnt D 950), 220 News. 221 Your Copest Chicke.
12:28 Music Weetly, 71:18 Edward Donnes Condount the BSC Philinar ponic, with Paphess Walffech (solio): Watton (Celle Coccerio), Statum Elle Heldenhobed).
72:25 per Plant Trios, Heyding in E wilner, H XV 12) and Brakens for 9 Op 8 played by the Yurnd Trio. 128 Per ed the Monga, Post Pieter Adoock reads four posens by New Zealander

Patin Prights in the Chardens of Spaint, Figure Discharms in A Sad, Franck (Symphonic Variations), Albents (Trians and Cordobst), Funre (Plano Counts) Op 15), Fells (Ribus France) and Sanore of Terror), 2rid Crohestra of St. Johr's, Smith Square, with Melinda Makemell (above): Wilby (The Wings of Morris, Ind.), Mass (Little Concert), Stausts (Matamorphism), Vaughan Williams (Taille Fauthelia, Mass (Little Concert), Stausts (Matamorphism), Valle (Little Concert), Stausts (Matamorphism), Valle (Marchella), Schubert song rackel by Cett Ber (Bertlore) with Cacottey Paraness (Calendo, 2stil Bailding with Cacottey Paraness (Calendo, 2stil Bailding the Enchartsed Lion, Prof. John Taylor explores new Approaches to making a machine that can think, 728 Latoslevetti, State Counts history for the Sanorel Counts. wan Geomby Patterns (plano), Still Saliding the Enchanted Lion. Prof. John Taylor explores new approaches to making a machine that can their. 738 Lateslawesti. Saring Cauriet played by the Americ Cauriet. Played by the Americ Cauriet. The Landon Philistermonic Crother and Sar Sachsy Children's Maste Group, per tr Schemann (Sysphony No 4).

639 The March on Pilane by George Machine in an abridged reading by John Molled Improve. 288 Concert, part 2. Debusyr the hierarchic Wind Ensemble. Mozari Isla mil of the Livertimanto K. 1853 and Seekloven Ociety. 1065 Thies Ed., 1869 The End of a loarny, A service Serv. 1869 The End of a loarny, A service them to Sephon of Trinky College, Cambridge. 1159 Played of Trinky College. 1159 Played of Trinky Co RADIO 4

PADIO 4
7:55 nm Nevez. 7:15 Sunday Papers. 7:15 Or
Your Fear. 7:26 Sunday Papers. 7:15 Or
Your Fear. 7:26 Sunday Papers. 7:15 Or
Your Fear. 7:26 Sunday Papers. 7:15 Or
Good Carsie. See Sunday. 2:27 The Mean Track
Sunday Papers. 6:15 Letter from America by
Allstair Gooks. 6:15 Letter from America by
Allstair Gooks. 6:15 Letter from America by
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